



Lane County Public Works Department

Engineering & Construction Services Division

October 13, 2017

The Honorable Secretary Elaine Chao
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE TIGER IX Grant Application for Territorial Highway (Gillespie Corners to Lorane)

Lane County Public Works certifies the commitment of Lane County's match contribution for this project as provided in the TIGER grant application, and of a stable and reliable operating fund necessary for completion of this project.

Sincerely,

Petra Schuetz
Assistant Public Works Director



Donation Form

Donor Information (please print):

Name: _____ Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Email: _____

Donation Type:

Cash Contribution (includes cash, check, electronic funds transfer, debit/credit card)

Total cash contribution (*completed by County*) \$ _____

Estimate of the value of goods or services received
as a result of the contribution (*completed by County*) \$ _____

Net charitable contribution (total cash contribution less estimate of
the value of goods or services received as a result of the contribution
(*completed by County*) \$ _____

Donation Type:

Noncash Contribution

Description of noncash contribution _____

Fair market value of noncash contribution (*completed by donor*) \$ _____

Estimate of the value of goods or services received
as a result of the contribution (*completed by County*) \$ _____

Net charitable contribution (total fair market value of noncash
contribution less estimate of the value of goods or services
received as a result of the contribution (*completed by Donor*) \$ _____

I would like to direct my donation to benefit the following program(s) _____

Thank you! for your generous donation. People like you make it possible for us to continue to serve the residents of Lane County.

As a governmental unit or political subdivision thereof (Tax ID# 93-6002303) we are not subject to Federal income tax under Section 115(1) of the Internal Revenue Code. As a result, your net charitable contribution may be tax deductible under section 170(c)(1) of the Internal Revenue Code. See IRS Publication 526 and 561 for more information on charitable contributions and consult your tax professional for guidance. Please keep this written acknowledgement your donation for your tax records.

Department Receiving Donation: _____

Donation Received by: _____

(Lane County Representative)

IRS Topic 506 - Charitable Contributions (Last Reviewed or Updated: February 07, 2011)

Charitable contributions are deductible only if you itemize deductions on [Form 1040, Schedule A](#).

To be deductible, charitable contributions must be made to qualified organizations. Payments to individuals are never deductible. See [Publication 526, Charitable Contributions](#).

If your contribution entitles you to merchandise, goods, or services, including admission to a charity ball, banquet, theatrical performance, or sporting event, you can deduct only the amount that exceeds the fair market value of the benefit received.

For a contribution of cash, check, or other monetary gift (regardless of amount), you must maintain as a record of the contribution a bank record or a written communication from the qualified organization containing the name of the organization, the date of the contribution, and the amount of the contribution. In addition to deducting your cash contributions, you generally can deduct the fair market value of any other property you donate to qualified organizations. See [Publication 561, Determining the Value of Donated Property](#). For any contribution of \$250 or more (including contributions of cash or property), you must obtain and keep in your records a contemporaneous written acknowledgment from the qualified organization indicating the amount of the cash and a description of any property contributed. The acknowledgment must say whether the organization provided any goods or services in exchange for the gift and, if so, must provide a description and a good faith estimate of the value of those goods or services. One document from the qualified organization may satisfy both the written communication requirement for monetary gifts and the contemporaneous written acknowledgment requirement for all contributions of \$250 or more.

You must fill out [Form 8283](#), and attach it to your return, if your total deduction for all noncash contributions is more than \$500. If you claim a deduction for a contribution of noncash property worth \$5,000 or less, you must fill out Form 8283, Section A. If you claim a deduction for a contribution of noncash property worth more than \$5,000, you will need a qualified appraisal of the noncash property and must fill out Form 8283, Section B. If you claim a deduction for a contribution of noncash property worth more than \$500,000, you also will need to attach the qualified appraisal to your return.

For more information refer to Form 8283 and its instructions, as well as [Publication 526, Charitable Contributions](#). For information on determining the value of your noncash contributions, refer to [Publication 561, Determining the Value of Donated Property](#).

Instructions to County Representative when receiving charitable donations made to Lane County

1. The County is NOT required to provide written acknowledgment of charitable donations received for single contributions of less than \$250. However, this does not preclude you from doing so if the donor requests a receipt.
2. The County MUST provide written acknowledgement of charitable donation received for:
 - a. Single contributions of \$250 or more.
 - b. Single contributions of \$75 or more if the Donor receives goods or services in exchange for a payment. See the online “IRS Substantiation and Disclosure” document for de minimus goods and services provided.
3. The “**Donation Form**” available on the intranet can be used to provide written documentation.
4. As a County Representative, you **MUST** estimated the fair value of goods and services the Donor receives, but you do **NOT** have to estimate the fair value of goods and services donated to the County.
5. Please direct any questions to Mike Barnhart, Finance Services Manager at 541-682-4199 or michael.barnhart@co.lane.or.us



Donation Form

Donor Information (please print):

Name: The Oregon Community Foundation Date: 8/19/13
Address: 1221 SW Yamhill, #100
City: Portland State: OR Zip: 97205
Telephone: 503-227-6846 Email: advisedfunds@oregoncf.org

Donation Type:

Cash Contribution (includes cash, check, electronic funds transfer, debit/credit card)

Total cash contribution (<i>completed by County</i>)	\$ <u>87,500.00</u>
Estimate of the value of goods or services received as a result of the contribution (<i>completed by County</i>)	\$ <u>-0-</u>
Net charitable contribution (total cash contribution less estimate of the value of goods or services received as a result of the contribution (<i>completed by County</i>))	\$ <u>87,500.00</u>

Donation Type:

Noncash Contribution

Description of noncash contribution _____

Fair market value of noncash contribution (<i>completed by donor</i>)	\$ _____
Estimate of the value of goods or services received as a result of the contribution (<i>completed by County</i>)	\$ _____
Net charitable contribution (total fair market value of noncash contribution less estimate of the value of goods or services received as a result of the contribution (<i>completed by Donor</i>))	\$ _____

I would like to direct my donation to benefit the following program(s) _____
Road improvement to Gillespie Corners to Lorane segment of Territorial Highway

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Department Receiving Donation: Lane County Public Works

Donation Received by: Lydia McKinney
(Lane County Representative)

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5. Please direct any questions to Mike Barnhart, Finance Services Manager at 541-682-4199 or michael.barnhart@co.lane.or.us

From: FREEMAN Stephonee C
Sent: Thursday, September 28, 2017 11:22 AM
To: REESOR David R
Subject: RE: consultant cost for TIGER

Dave,

The donations for this project came in from King Estate (\$1235k) and from The Oregon Community Foundation on behalf of the Jane Higdon Memorial Fund for Bicycle Safety (\$87.5k) in 2013 for a total of \$100k to be used toward "road improvement to Gillespie Corners to Lorane segment of Territorial Highway." These funds were dedicated to professional consulting services costs related to the project. To date, funds remaining are in the amount of \$96,926.92 (\$3,073.08 was spent for DE&A work in May 2015).

Hope this helps.

Stephonee

Enrolled House Bill 2017

Sponsored by JOINT COMMITTEE ON TRANSPORTATION PRESERVATION AND MODERNIZATION

CHAPTER

AN ACT

Relating to transportation; creating new provisions; amending ORS 184.610, 184.612, 184.615, 184.617, 184.619, 184.620, 184.621, 184.633, 184.639, 184.649, 184.740, 184.888, 184.891, 305.992, 316.164, 316.169, 316.189, 316.197, 316.202, 316.207, 316.212, 319.020, 319.415, 319.530, 319.885, 319.890, 366.155, 366.462, 366.505, 366.752, 366.772, 366.805, 367.080, 367.082, 367.084, 367.086, 367.620, 367.806, 374.328, 377.841, 468A.275, 646.932, 777.267, 801.041, 801.042, 802.110, 803.090, 803.350, 803.415, 803.420, 803.445, 803.585, 803.645, 805.047, 805.103, 805.105, 805.115, 805.205, 805.222, 805.255, 805.260, 805.263, 805.266, 805.278, 805.283, 818.225, 818.270, 822.043, 822.213, 825.450, 825.476, 825.480 and 826.023 and section 2, chapter 823, Oregon Laws 2009, section 18, chapter 30, Oregon Laws 2010, section 1, chapter 637, Oregon Laws 2015, section 7, chapter 700, Oregon Laws 2015, section 7, chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149), and sections 31 and 32, chapter ___, Oregon Laws 2017 (Enrolled House Bill 2290); repealing ORS 184.613, 184.616, 184.618, 184.889 and 367.017 and section 17, chapter 63, Oregon Laws 2012, section 6, chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149), and sections 3, 6, 6a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28, chapter ___, Oregon Laws 2017 (Enrolled House Bill 2290); prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

Be It Enacted by the People of the State of Oregon:

ACCOUNTABILITY (Definitions)

SECTION 1. ORS 184.610 is amended to read:

184.610. As used in ORS 184.610 to 184.656, unless the context requires otherwise:

- (1) "Commission" means the Oregon Transportation Commission.
- (2) "Department" means the Department of Transportation.
- (3) "Director" means the Director of Transportation.
- (4) "STIP" means the Statewide Transportation Improvement Program, which is a list of transportation projects that:
 - (a) Are to be implemented within four years following adoption or modification of the list;
 - (b) Are consistent with the long-range transportation plan developed pursuant to ORS [184.618 and with metropolitan plans] **184.617**; and
 - (c) Can be implemented with resources reasonably expected to be available.

(Oregon Transportation Commission)

SECTION 2. ORS 184.612 is amended to read:

184.612. (1) There is established the Oregon Transportation Commission consisting of five members appointed by the Governor, subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution. **A member serves at the pleasure of the Governor.**

(2) The Governor shall appoint members of the commission in compliance with all of the following:

(a) Members shall be appointed with consideration of the different geographic regions of the state with one member being a resident of the area east of the Cascade Range.

(b) Not more than three members [*shall*] **who** belong to one political party. Party affiliation shall be determined by the appropriate entry on official election registration cards.

(3) At the time of appointment, a member may not have any direct or indirect financial or fiduciary interest related to the commission's duties. If a conflict arises after a member's appointment, the member shall declare the conflict and abstain from deliberations and voting on the matter under consideration by the commission.

[2] (4) The term of office of each member is four years. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. In case of a vacancy for any cause, the Governor shall appoint a person to fill the office for the unexpired term.

(5) The Governor shall appoint one of the members as chairperson. The chairperson shall appoint one of the other members as vice chairperson. The chairperson and vice chairperson shall have such terms, duties and powers as the Oregon Transportation Commission determines are necessary for the performance of such offices.

(6) A majority of the members of the commission constitutes a quorum. If a quorum is present at a meeting, the commission may take action by an affirmative vote by a majority of the members who are present. An individual member may not exercise individually any administrative authority with respect to the Department of Transportation.

(7) The commission shall meet at least quarterly, at a time and place determined by the commission. The commission shall also meet at such other times and places as are specified by the call of the chairperson or of a majority of the commission.

(8) A vacancy does not impair the right of the remaining members to exercise all the powers of the commission, except that three members of the commission must agree in the selection, vacation or abandonment of state highways, and in case the members are unable to agree the Governor shall have the right to vote as a member of the commission.

(9) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the department.

(10) The commission may provide an official seal.

(11) The commission may hire staff the commission deems necessary to assist the commission in carrying out its duties. The staff shall be considered employees of the department for purposes of the State Personnel Relations Law under ORS chapter 240.

[3] (12) A member of the commission is entitled to compensation and expenses as provided by ORS 292.495.

NOTE: Sections 3 and 4 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 5. ORS 184.619 is amended to read:

184.619. In accordance with the applicable provisions of ORS chapter 183, the Oregon Transportation Commission:

(1) Shall adopt [*such*] **any** rules and orders as it considers necessary and proper in performing the functions vested by law in the commission.

(2) Notwithstanding any other provisions of law, the commission has the power to adopt any rules, establish any policy or exercise any other duty, function or power if a statute gives such power to the Department of Transportation.

SECTION 6. ORS 184.617 is amended to read:

184.617. (1) *[It is the function of]* The Oregon Transportation Commission *[to]* **shall:**

(a) Establish the policies for the operation of the Department of Transportation in a manner consistent with the policies and purposes of ORS 184.610 to 184.656.

(b) **Develop and maintain state transportation policies, including but not limited to policies related to the management, construction and maintenance of highways and other transportation systems in Oregon, including but not limited to aviation, ports and rail.**

(c) **Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal transportation system for the state which encompasses economic efficiency, orderly economic development and environmental quality. The comprehensive, long-range plan:**

(A) **Must include, but not be limited to, aviation, highways, mass transit, ports, rails and waterways; and**

(B) **Must be used by all agencies and officers to guide and coordinate transportation activities and to ensure transportation planning utilizes the potential of all existing and developing modes of transportation.**

(d) **In coordination with the State Marine Board, the Oregon Business Development Department, the State Aviation Board, cities, counties, mass transit districts organized under ORS 267.010 to 267.390 and transportation districts organized under ORS 267.510 to 267.650, develop plans for each mode of transportation and multimodal plans for the movement of people and freight. Subject to paragraph (c) of this subsection, the plans must include a list of projects needed to maintain and develop the transportation infrastructure of this state for at least 20 years in the future.**

(e) **For the plans developed under paragraph (d) of this subsection, include a list of projects for at least 20 years into the future that are capable of being accomplished using the resources reasonably expected to be available. As the plans are developed by the commission, the Director of Transportation shall prepare and submit implementation programs to the commission for approval. Work approved by the commission to carry out the plans shall be assigned to the appropriate unit of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.**

(f) **Initiate studies, as it deems necessary, to guide the director concerning the transportation needs of Oregon.**

(g) **Prescribe the administrative practices followed by the director in the performance of any duty imposed on the director by law.**

(h) **Seek to enter into intergovernmental agreements with local governments and local service districts, as those terms are defined in ORS 174.116, to encourage cooperation between the department and local governments and local service districts to maximize the efficiency of transportation systems in Oregon.**

(i) **Review and approve the department's:**

(A) **Proposed transportation projects, as described in the Statewide Transportation Improvement Program, and any significant transportation project modifications, as determined by the commission;**

(B) **Proposed budget form prior to the department submitting the form to the Oregon Department of Administrative Services under ORS 291.208;**

(C) **Anticipated capital construction requirements;**

(D) **Construction priorities; and**

(E) **Selection, vacation or abandonment of state highways.**

(j) **Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205. The commission shall focus on reducing greenhouse gas emissions resulting from transportation. In developing the strategy, the commission shall consider state and federal programs, policies and incentives related to reducing greenhouse gas emissions. The commission shall consult and cooperate with metropolitan planning organizations, other state agencies, local**

governments and stakeholders and shall actively solicit public review and comment in the development of the strategy.

(k) *[In addition, the commission shall]* Perform any other duty vested in it by law.

(2) *The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the department.]*

(3) (2) The commission *[shall have]* **has** general power to **take any action necessary** to coordinate and administer programs relating to highways, motor carriers, motor vehicles, public transit, rail, transportation safety and such other programs related to transportation *[as may be assigned by law to the department]*.

(3) The commission may require the director to furnish whatever reports, statistics, information or assistance the commission may request in order to study the department or transportation-related issues.

(4) *The Department of Transportation shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide the programs and services assigned to the department, except that the Oregon Department of Aviation shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide aviation programs and services.]*

SECTION 7. Sections 8 to 13 of this 2017 Act and ORS 366.150 are added to and made a part of ORS 184.610 to 184.656.

SECTION 8. Authority to enter into agreements. (1) **The Oregon Transportation Commission may:**

(a) **Enter into any written agreement or any configuration of written agreements relating to any duty, function or service of the commission or the Department of Transportation, relating to transportation projects or transportation research with any private entity or unit of government or any configuration of private entities and units of government, as those terms are defined in ORS 367.802. The subject of agreements entered into under this section may include, but need not be limited to, planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing and operation of transportation projects or transportation research.**

(b) **Include in any agreement entered into under this section any financing mechanisms, including but not limited to the imposition and collection of user fees and the development or use of other revenue sources.**

(2) **The agreements among the public and private sector partners entered into under this section must specify at least the following:**

(a) **At what point in the transportation project or transportation research the public and private sector partners will enter the project or research and which partners will assume responsibility for specific project or research elements;**

(b) **How the partners will share management of the risks of the project or research;**

(c) **How the partners will share the costs of development of the project or research;**

(d) **How the partners will allocate financial responsibility for cost overruns;**

(e) **The penalties for nonperformance;**

(f) **The incentives for performance; and**

(g) **The accounting and auditing standards to be used to evaluate work on the project or research.**

SECTION 9. Real property inventory. (1) **The Oregon Transportation Commission shall compile and keep current an inventory of real property, in excess of the operating needs of, and owned by the Department of Transportation.**

(2) **The inventory must include the following, for each parcel of real property:**

(a) **A description of the real property and its current use.**

(b) **An evaluation of future plans for the real property.**

(c) **An assessment of the value of the real property.**

(3) **This section does not apply to real property within a highway right-of-way that is used by the public.**

(4) The commission shall periodically review the inventory of real property. If the commission determines that a parcel of real property is not anticipated for use for transportation purposes in the reasonably foreseeable future and that disposition of the real property by sale, lease or other means would result in a substantial net benefit to the state to carry out the purposes of Article IX, section 3a, of the Oregon Constitution, the commission shall direct the department to dispose of the real property in the manner provided by rule by the department.

SECTION 10. Continuous Improvement Advisory Committee. (1) The Oregon Transportation Commission shall appoint a Continuous Improvement Advisory Committee composed of members of the commission, employees of the Department of Transportation and transportation stakeholders. The committee shall be of such size and representation as the commission determines appropriate.

(2) The committee shall:

(a) Advise the commission on ways to maximize the efficiency of the department to allow increased investment in the transportation system over the short, medium and long term.

(b) Develop key performance measures, based on desired outcomes, for each division of the department. The committee shall submit key performance measures to the commission for its approval. The committee shall report to the commission at least once per year on the status of key performance measures and what steps are being taken by the department to achieve the goals of the key performance measures.

(3) The committee shall periodically report to the commission. The reports must include recommendations on ways the commission and the department may execute their duties more efficiently.

(4) Each odd-numbered year, the commission shall submit a report, in the manner provided by ORS 192.245, to the Joint Committee on Transportation established under section 26 of this 2017 Act. The report must include information on the activities and recommendations of the committee and information on any actions taken by the commission or the department to implement recommendations of the committee.

(5) The committee shall meet regularly, at times and places fixed by the chairperson of the committee or a majority of members of the committee. The department shall provide office space and personnel to assist the committee as requested by the chairperson, within the limits of available funds.

SECTION 11. Describing condition of transportation infrastructure. (1) The Oregon Transportation Commission shall develop a set of uniform standards, in coordination with counties and cities, for the consistent description and reporting of the condition of the transportation infrastructure owned by the state, counties and cities. The infrastructure described must include pavement and bridges.

(2) By February 1 of each odd-numbered year, every city and county shall submit a report covering the condition of its transportation infrastructure.

(3) The commission shall periodically review the condition of the transportation infrastructure owned by the state and the reports submitted under this section. The commission shall post the reports and the commission's review of the reports on the website described in section 12 of this 2017 Act.

(4) Notwithstanding ORS 366.762 to 366.768 or 366.785 to 366.820, any city or county failing to file a report under this section may not receive any payments from the State Highway Fund until the report is filed.

(5) Not later than April 1 of each odd-numbered year, the commission shall submit a report about the state of the transportation infrastructure of Oregon, including the transportation infrastructure of cities and counties, to:

(a) The Legislative Assembly in the manner provided by ORS 192.245; and

(b) The Joint Committee on Transportation established under section 26 of this 2017 Act.

SECTION 12. Website. (1) The Oregon Transportation Commission, through the Department of Transportation, shall develop a website.

(2) The website must include:

(a) A list of all transportation projects in the Statewide Transportation Improvement Program and for each project the website must include:

(A) A description of the project and the project benefits;

(B) The estimated cost and estimated completion date;

(C) Updated information about the projects as they proceed, including the actual amount spent to date on the project; and

(D) After a project is completed, updated information, including the amount a project is under or over the original estimated cost and whether a project was completed by the original estimated completion date.

(b) Information on the reports required under ORS 366.774 and 366.790 for all cities and counties in the state, including the amount of transportation funds collected by each county and city and the source of the funds and the amount of money spent on transportation projects by type of expenditure as listed in ORS 366.774 (2) and 366.790 (2). This information shall be displayed for the most current six-year period.

(c) Information on the condition of Oregon's transportation infrastructure, as required under section 11 of this 2017 Act.

(d) Information about the results the audits performed pursuant to ORS 184.639.

(e) Links to all available county and city transportation project websites.

(f) Links to websites about transportation projects receiving moneys from the Connect Oregon Fund.

SECTION 12a. The information required under section 12 (2)(b) of this 2017 Act is required only for years beginning on or after January 1, 2018. Nothing in this section precludes a city or county from providing additional information.

SECTION 13. Written analysis of costs and benefits of proposed transportation projects.

(1) As used in this section, "transportation project" means a project:

(a) That is a highway modernization transportation project or capacity building transportation project proposed for construction in the Statewide Transportation Improvement Program; and

(b) That is estimated to cost at least \$15 million.

(2) As a part of the project scoping phase, the Department of Transportation shall prepare a written analysis of the costs and benefits of a transportation project. The analysis must state:

(a) The scope of the project;

(b) The period of analysis;

(c) The discount rate used in the analysis;

(d) The estimated costs to the department to undertake the project, including any costs for design, purchasing highway right-of-way and construction;

(e) The future costs to the department to preserve and maintain the project, discounted to present value;

(f) Any other costs to the department;

(g) The costs to highway users that are associated with the project, including loss of safety, delays in the time of travel and additional expenses for operating vehicles;

(h) The costs of any environmental impacts, including vehicle emissions and noise; and

(i) The value of the benefits of the project, including the value of any:

(A) Savings in the time of travel;

(B) Improvements to safety;

(C) Savings in the cost of operating vehicles; and

(D) Other social, economic or environmental benefits of the project.

(3) The analysis required by this section:

(a) **Must include a discussion of increases in costs that would result from delays in the performance of routine maintenance scheduled by the department;**

(b) **May include a discussion of:**

(A) **The costs of the project for any other persons and governmental agencies; and**

(B) **Any costs or benefits which may result from the use of alternative design, construction or financing practices; and**

(c) **Must be prepared in a format that allows for the comparison of proposed transportation projects.**

(4) **The analysis required by this section must be made available to the commission and the public when the agenda is posted for the meeting at which the proposal will be submitted to the commission for its approval.**

(5) **This section does not apply to transportation projects listed in section 71a, 71d, 71f or 120 of this 2017 Act.**

SECTION 14. ORS 184.621 is amended to read:

184.621. The Oregon Transportation Commission shall work with stakeholders to review and update the criteria used to select projects within the Statewide Transportation Improvement Program. When revising the project selection criteria the commission shall consider whether the project:

(1) Improves the state highway system or major access routes to the state highway system on the local road system to relieve congestion by expanding capacity, enhancing operations or otherwise improving travel times within high-congestion corridors.

(2) Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the efficient movement of people and goods and preserving the public investment in the transportation system.

[(3) Increases the operational effectiveness and reliability of the existing system by using technological innovation, providing linkages to other existing components of the transportation system and relieving congestion.]

[(4) Is capable of being implemented to reduce the need for additional highway projects.]

[(5) Improves the condition, connectivity and capacity of freight-reliant infrastructure serving the state.]

*[(6)] (3) Supports improvements necessary for [this state's] **Oregon's** economic growth and competitiveness, accessibility to industries and economic development.*

*[(7)] (4) Provides the greatest benefit in relation to project costs **as analyzed under section 13 of this 2017 Act.***

[(8)] (5) Fosters livable communities by demonstrating that the investment does not undermine sustainable urban development.

[(9)] (6) Enhances the value of transportation projects through designs and development that reflect environmental stewardship and community sensitivity.

*[(10)] (7) Is consistent with the state's greenhouse gas emissions reduction goals and reduces [this state's] **Oregon's** dependence on foreign oil.*

(8) To the extent practicable, ensures that the state's transportation infrastructure is resilient in the event of a natural disaster.

(9) Is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

SECTION 15. ORS 184.639 is amended to read:

184.639. *[The Director of Transportation shall designate an internal auditor for the Department of Transportation who shall perform internal audits of the department and report findings to the director.]*

(1) The Oregon Transportation Commission, in consultation with the Director of Transportation, shall designate an internal auditor for the Department of Transportation. The internal auditor shall be an employee of the department and shall report to the director. The

director may remove the internal auditor only after a majority vote of the commission approves the removal.

(2) The internal auditor shall perform internal audits of the department, in accordance with ORS 184.360, including but not limited to the following:

- (a) Audits that assess the financial integrity of the department;
- (b) Audits to determine the efficiency and effectiveness of the operations of the department;
- (c) Audits of contracts entered into by the department; and
- (d) Any audits required by federal law that are delegated to the commission or the department to perform.

(3) The internal auditor shall submit all final audit reports to the commission. After redacting from the audit reports information that is exempted from disclosure under ORS 192.410 to 192.505, the commission shall have the reports posted on the website described in section 12 of this 2017 Act.

(4) The commission or the director may request that the internal auditor conduct specific audits as the commission or director deems necessary.

(5) The internal auditor, after considering input from the commission or the director, shall make the final determination on which audits to perform.

(6) The internal auditor may also audit third party arrangements entered into by the department.

NOTE: Sections 16 and 17 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 18. ORS 184.649 is amended to read:

184.649. The [Department of Transportation] **Oregon Transportation Commission** shall [appear before] **report on audits of the Department of Transportation** to the Joint Legislative Audit Committee established by ORS 171.580 **and to the Joint Committee on Transportation established by section 26 of this 2017 Act** at least once each biennium [to report on internal audits and federal audits of the department].

(Department of Transportation)

SECTION 19. ORS 184.615 is amended to read:

184.615. (1) The Department of Transportation is established.

[(2) *The Department of Transportation shall consist of the Director of Transportation and all personnel employed in the department. Except as otherwise provided in subsections (4) and (5) of this section, for purposes of administration, subject to the approval of the Oregon Transportation Commission, the director may organize and reorganize the department as the director considers necessary to properly conduct the work of the department.*]

[(3)] (2) The department shall **perform the following duties:**

(a) Carry out policies adopted by the [commission] **Oregon Transportation Commission** and all duties and responsibilities vested in it by law including, but not necessarily limited to, duties and responsibilities concerning drivers and motor vehicles, highways, motor carriers, public transit, rail and transportation safety.

(b) **Provide strategic planning for statewide transportation systems to meet the transportation challenges to be faced by Oregon at least 20 years into the future.**

(c) **Promote coordination between different modes of transportation.**

(d) **Promote coordination of major transportation projects, as determined by the commission, between the state, cities and counties.**

(e) **Integrate governmental functions to reduce the costs incurred by this state in transportation matters.**

(f) **Obtain the greatest benefit from state, local and federal transportation expenditures.**

(g) Maximize the state's prospects to obtain federal funds by responding to federal mandates for multimodal transportation planning.

(h) To the extent practicable, ensure that the state's transportation infrastructure is resilient in the event of a natural disaster.

(3) The department shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide the programs and services assigned to the department, except that the Oregon Department of Aviation shall be the recipient of all federal funds paid to or to be paid to the state to enable the state to provide aviation programs and services.

[(4) The director shall appoint an administrator for each area of critical concern to the department. The administrator shall be responsible for planning and operations in that area, for relationships between the department and persons affected by the operations of the area, for advocacy of the area within the department planning and operations processes and for such other duties as may be provided by law. For purposes of this subsection, "area of critical concern" includes, but is not necessarily limited to, driver and motor vehicle services, highways, motor carriers, public transit, rail and transportation safety. In appointing administrators under this subsection, the director shall consider recommendations of any advisory committee interested in the area of responsibility. Administrators appointed under this subsection are in the unclassified service for purposes of the State Personnel Relations Law.]

[(5) Whenever a duty or function is specifically given by statute to the director, and that duty or function involves day-to-day operations of an area of critical concern to the department, the director shall delegate the duty or function to the administrator of the area of critical concern.]

SECTION 20. ORS 184.620 is amended to read:

184.620. (1) The Department of Transportation shall be under the supervision of a Director of Transportation *[who shall be appointed by and shall hold office at the pleasure of the Governor]*. **The Oregon Transportation Commission shall appoint the director, after consultation with the Governor. The director serves at the pleasure of the commission.**

(2) The appointment of the director shall be subject to confirmation by the Senate in the manner provided by ORS 171.562 and 171.565.

(3) The director may appoint:

(a) Deputy directors with full authority to act for the director, but subject to the director's control. The appointment of a deputy director shall be by written order filed with the Secretary of State. A deputy director shall be in the unclassified services for purposes of the State Personnel Relations Law.

[(b) One executive assistant for each deputy director appointed under this section and one for each administrator appointed under ORS 184.615 (4). Executive assistants appointed under this paragraph are in the unclassified service for purposes of the State Personnel Relations Law.]

[(c)] (b) All subordinate officers and employees of the department and may prescribe their duties, assignments and reassignments and fix their compensation, subject to any applicable provisions of the State Personnel Relations Law.

(4) Subject to the approval of the commission, the director may organize and reorganize the department as the director considers necessary to properly conduct the work of the department. As directed by the chairperson of the commission, the director shall assign employees of the department to staff the commission.

(5) When service of summons or other process is required by statute to be served on the Director of Transportation, the Department of Transportation or the Oregon Transportation Commission, such service shall be made upon the office of the director.

NOTE: Sections 21 to 24 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 25. ORS 184.633 is amended to read:

184.633. (1) Subject to policy direction by the Oregon Transportation Commission, the Director of Transportation shall:

(a) Be the administrative head of the Department of Transportation;

(b) Have power, within applicable budgetary limitations, and in accordance with ORS chapter 240, to hire, assign, reassign and coordinate personnel of the department and prescribe their duties and fix their compensation, subject to the State Personnel Relations Law;

(c) Administer the laws of the state concerning transportation; [and]

(d) Intervene, as authorized by the commission, pursuant to the rules of practice and procedure, in the proceedings of state and federal agencies which may substantially affect the interest of the consumers and providers of transportation within Oregon[.]; and

(e) Construct, coordinate and promote an integrated transportation system in cooperation with any city, county, district, port or private entity, as defined in ORS 367.802.

(2) In addition to duties otherwise required by law, the director shall prescribe regulations for the government of the department, the conduct of its employees, the assignment and performance of its business and the custody, use and preservation of its records, papers and property in a manner consistent with applicable law.

(3) The director may delegate to any of the employees of the department the exercise or discharge in the director's name of any power, duty or function of whatever character, vested in or imposed by law upon the director, including powers, duties or functions delegated to the director by the commission pursuant to ORS 184.635. The official act of any such person so acting in the director's name and by the authority of the director shall be considered to be an official act of the director.

(4) The director shall have authority to require a fidelity bond of any officer or employee of the department who has charge of, handles or has access to any state money or property, and who is not otherwise required by law to give a bond. The amounts of the bond shall be fixed by the director, except as otherwise provided by law, and the sureties shall be approved by the director. The department shall pay the premiums on the bonds.

(5)(a) Subject to local government requirements and the provisions of ORS 197.830 to 197.845, the director may participate in and seek review of a land use decision or limited land use decision as defined in ORS 197.015, or an expedited land division as defined in ORS 197.360. The director shall report to the commission on each case in which the department participates and on the positions taken by the director in each case.

(b) If a meeting of the commission is scheduled prior to the close of the period for seeking review of a land use decision, expedited land division or limited land use decision, the director shall obtain formal approval from the commission prior to seeking review of the decision. However, if the land use decision, expedited land division or limited land use decision becomes final less than 15 days before a meeting of the commission, the director shall proceed as provided in paragraph (c) of this subsection. If the director requests approval from the commission, the applicant and the affected local government shall be notified in writing that the director is seeking commission approval. The director, the applicant and the affected local government shall be given reasonable time to address the commission regarding the director's request for approval to seek review. No other testimony shall be taken by the commission.

(c) If a meeting of the commission is not scheduled prior to the close of the period for seeking review of a land use decision, expedited land division or limited land use decision, at the next commission meeting the director shall report to the commission on each case for which the department has sought review. The director shall request formal approval to proceed with each appeal. The applicant and the affected local government shall be notified of the commission meeting in writing by the director. The director, the applicant and the affected local government shall be given reasonable time to address the commission regarding the director's request for approval to proceed with the appeal. No other testimony shall be taken by the commission. If the commission does not formally approve an appeal, the director shall file a motion with the appropriate tribunal to dismiss the appeal.

(d) A decision by the commission under this subsection is not subject to appeal.

(e) For purposes of this subsection, "applicant" means a person seeking approval of a permit, as defined in ORS 215.402 or 227.160, expedited land division or limited land use decision.

(6) The director may intervene in an appeal of a land use decision brought by another person in the manner provided for an appeal by the director under subsection (5) of this section.

(Joint Committee on Transportation)

SECTION 26. (1) There is established the Joint Committee on Transportation.

(2) The joint committee consists of members of the Senate appointed by President of Senate and members of the House of Representatives appointed by the Speaker of the House of Representatives.

(3) The President of the Senate shall appoint one cochair for the joint committee and the Speaker of the House of Representatives shall appoint one cochair for the joint committee with the duties and powers necessary for the performance of the functions of the offices as the President and the Speaker determine.

(4) The joint committee has a continuing existence and may meet, act and conduct its business during sessions of the Legislative Assembly or any recess thereof and in the interim between sessions.

(5) The term of a member shall expire upon the date of the convening of the odd-numbered year regular session of the Legislative Assembly next following the commencement of the member's term. When a vacancy occurs in the membership of the joint committee in the interim between odd-numbered year regular sessions, until such vacancy is filled, the membership of the joint committee shall be considered not to include the vacant position for the purpose of determining whether a quorum is present and a quorum is a majority of the remaining members.

(6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(7) Members of the joint committee shall receive an amount equal to that authorized under ORS 171.072 from funds appropriated to the Legislative Assembly for each day spent in the performance of their duties as members of the joint committee or any subcommittee thereof in lieu of reimbursement for in-state travel expenses. However, when engaged in out-of-state travel, members shall be entitled to receive their actual and necessary expenses therefor in lieu of the amount authorized by this subsection. Payment shall be made from funds appropriated to the Legislative Assembly.

(8) The joint committee may not transact business unless a quorum is present. A quorum consists of a majority of joint committee members from the House of Representatives and a majority of joint committee members from the Senate.

(9) Action by the joint committee requires the affirmative vote of a majority of joint committee members from the House of Representatives and a majority of joint committee members from the Senate.

(10) The joint committee may adopt rules necessary for the operation of the joint committee.

(11) The Legislative Policy and Research Director may employ persons necessary for the performance of the functions of the joint committee. The Legislative Policy and Research Director shall fix the duties and amounts of compensation of the employees. The joint committee shall use the services of continuing legislative staff, without employing additional persons, to the greatest extent practicable.

(12) All agencies of state government, as defined in ORS 174.111, are directed to assist the joint committee in the performance of the duties of the joint committee and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the joint committee consider necessary to perform their duties.

SECTION 27. The Joint Committee on Transportation shall examine transportation related policy and transportation project expenditures and make recommendations related to

transportation to the Joint Committee on Ways and Means. The Joint Committee on Transportation shall provide general legislative oversight of the Department of Transportation.

SECTION 27a. (1) The Joint Committee on Transportation established under section 26 of this 2017 Act shall study the adequacy of funding provided under this 2017 Act in meeting the transportation infrastructure requirements of this state.

(2) The joint committee must complete the study required under subsection (1) of this section before the date of adjournment sine die of the 2023 regular session of the Legislative Assembly.

SECTION 27b. Section 27a of this 2017 Act is repealed on January 2, 2024.

SECTION 27c. The Oregon Transportation Commission shall conduct a study and make a report on its findings to the Joint Committee on Transportation established under section 26 of this 2017 Act and to the appropriate fiscal and policy committees or interim committees of the Legislative Assembly as follows:

(1) No later than February 1, 2018, the costs to complete the Interstate 205 Abernethy Bridge Project and the Interstate 205 Freeway Widening Project.

(2) No later than February 1, 2020, the costs to complete the Interstate 5 Rose Quarter Project.

SECTION 27d. Section 27c of this 2017 Act is repealed on June 30, 2020.

SECTION 27e. The Oregon Transportation Commission shall conduct a study and make a report on its findings no later than January 1, 2020, to the Joint Committee on Transportation established under section 26 of this 2017 Act on the costs to:

(1) Upgrade the portion of Southeast Powell Boulevard beginning where it intersects with Southeast 9th Avenue and ending where it intersects with Interstate 205; and

(2) Transfer the upgraded portion to the City of Portland.

SECTION 27f. Section 27e of this 2017 Act is repealed on June 30, 2020.

(Conforming Amendments)

SECTION 28. ORS 366.752 is amended to read:

366.752. (1) The following moneys shall be allocated as described in subsections (2) and (3) of this section:

(a) The amount attributable to the fee increases by the amendments to ORS 803.090 by section 42, chapter 865, Oregon Laws 2009.

(b) The amount attributable to the fee increases by the amendments to ORS 803.420 by section 43, chapter 865, Oregon Laws 2009.

(c) The amount attributable to the fee increases by the amendments to ORS 803.420 by section 43a, chapter 865, Oregon Laws 2009.

(d) The amount attributable to the fee increases by the amendments to ORS 803.570 by section 44, chapter 865, Oregon Laws 2009.

(e) The amount attributable to the fee increase by the amendments to ORS 803.645 by section 44a, chapter 865, Oregon Laws 2009.

(f) The amount attributable to the increase in fees and tax rates by the amendments to ORS 319.020, 319.530, 818.225, 825.476 and 825.480 by sections 48, 49 and 51 to 53, chapter 865, Oregon Laws 2009.

(2) The moneys described in subsection (1) of this section shall be allocated first in an amount of \$24 million per year in monthly installments to the Department of Transportation for the purposes described in the long-range plan developed pursuant to ORS [184.618] **184.617**. The remainder of the moneys shall be allocated as provided in subsection (3) of this section.

(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties for distribution as provided in ORS 366.762.

(c) 20 percent to cities for distribution as provided in ORS 366.800.

(4) Except as provided in subsection (5) of this section, the moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:

(a) 33 percent for maintenance, preservation and safety of highways.

(b) 15.75 percent for the state modernization program for highways as described in ORS 366.507.

(c) 51.25 percent for the purposes described in ORS 367.620 (3)(c) and section 64, chapter 865, Oregon Laws 2009.

(5) The moneys allocated in subsection (4) of this section may be used to secure and pay bond debt service on Highway User Tax Bonds under ORS 367.615.

(6) For the purposes of this section:

(a) "Bond" has the meaning given that term in ORS 367.010.

(b) "Bond debt service" has the meaning given that term in ORS 367.010.

SECTION 28a. ORS 184.888 is amended to read:

184.888. As used in ORS [184.889] **184.617**, 184.893, 184.895, 184.897 and 184.899, "metropolitan planning organization" has the meaning given that term in ORS 197.629.

SECTION 28b. ORS 184.891 is amended to read:

184.891. ORS [184.889] **184.617** does not limit the authority of an agency, as defined in ORS 183.310, to regulate air contaminants.

SECTION 29. ORS 367.806 is amended to read:

367.806. (1) As part of the Oregon Innovative Partnerships Program established under ORS 367.804, the Department of Transportation may:

(a) Enter into any agreement or any configuration of agreements relating to transportation projects with any private entity or unit of government or any configuration of private entities and units of government. The subject of agreements entered into under this section may include, but need not be limited to, planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing and operation of transportation projects.

(b) Include in any agreement entered into under this section any financing mechanisms, including but not limited to the imposition and collection of franchise fees or user fees and the development or use of other revenue sources.

(2) As part of the Oregon Innovative Partnerships Program established under ORS 367.804, the department shall enter into agreements to undertake transportation projects the subjects of which include the application of technology standards to determine whether to certify technology, the collection of metered use data, tax processing and account management, as these subjects relate to the operation of a road usage charge system pursuant to ORS 319.883 to 319.945.

(3) The agreements among the public and private sector partners entered into under this section must specify at least the following:

(a) At what point in the transportation project public and private sector partners will enter the project and which partners will assume responsibility for specific project elements;

(b) How the partners will share management of the risks of the project;

(c) How the partners will share the costs of development of the project;

(d) How the partners will allocate financial responsibility for cost overruns;

(e) The penalties for nonperformance;

(f) The incentives for performance;

(g) The accounting and auditing standards to be used to evaluate work on the project; and

(h) Whether the project is consistent with the plan developed by the Oregon Transportation Commission under ORS [184.618] **184.617** and any applicable regional transportation plans or local transportation system programs and, if not consistent, how and when the project will become consistent with applicable plans and programs.

(4) The department may, either separately or in combination with any other unit of government, enter into working agreements, coordination agreements or similar implementation agreements to carry out the joint implementation of any transportation project selected under ORS 367.804.

(5) Except for ORS 383.015, 383.017 (1), (2), (3) and (5) and 383.019, the provisions of ORS 383.003 to 383.075 apply to any tollway project entered into under ORS 367.800 to 367.824.

(6) The provisions of ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C do not apply to concepts or proposals submitted under ORS 367.804, or to agreements entered into under this section, except that if public moneys are used to pay any costs of construction of public works that is part of a project, the provisions of ORS 279C.800 to 279C.870 apply to the public works. In addition, if public moneys are used to pay any costs of construction of public works that is part of a project, the construction contract for the public works must contain provisions that require the payment of workers under the contract in accordance with ORS 279C.540 and 279C.800 to 279C.870.

(7)(a) The department may not enter into an agreement under this section until the agreement is reviewed and approved by the Oregon Transportation Commission.

(b) The department may not enter into, and the commission may not approve, an agreement under this section for the construction of a public improvement as part of a transportation project unless the agreement provides for bonding, financial guarantees, deposits or the posting of other security to secure the payment of laborers, subcontractors and suppliers who perform work or provide materials as part of the project.

(c) Before presenting an agreement to the commission for approval under this subsection, the department must consider whether to implement procedures to promote competition among subcontractors for any subcontracts to be let in connection with the transportation project. As part of its request for approval of the agreement, the department shall report in writing to the commission its conclusions regarding the appropriateness of implementing such procedures.

(8)(a) Except as provided in paragraph (b) of this subsection, documents, communications and information developed, exchanged or compiled in the course of negotiating an agreement with a private entity under this section are exempt from disclosure under ORS 192.410 to 192.505.

(b) The documents, communications or information described in paragraph (a) of this subsection are subject to disclosure under ORS 192.410 to 192.505 when the documents, communications or information are submitted to the commission in connection with its review and approval of a transportation project under subsection (7) of this section.

(9) The terms of a final agreement entered into under this section and the terms of a proposed agreement presented to the commission for review and approval under subsection (7) of this section are subject to disclosure under ORS 192.410 to 192.505.

(10) As used in this section:

(a) "Public improvement" has the meaning given that term in ORS 279A.010.

(b) "Public works" has the meaning given that term in ORS 279C.800.

SECTION 30. ORS 374.328 is amended to read:

374.328. The Oregon Transportation Commission shall periodically review, not less often than every six years, the classification of state highways, including the designation of highway segments as expressways, as a part of its comprehensive, long-range transportation plan developed pursuant to ORS [184.618] **184.617** to ensure that the classifications for the highways and designations of expressways are appropriate to their uses.

HIGHWAY MAINTENANCE, PRESERVATION AND SEISMIC UPGRADES (Vehicle Registration Fees, Title Fees and Fuel Taxes)

SECTION 31. Sections 32 and 37 of this 2017 Act are added to and made a part of the Oregon Vehicle Code.

SECTION 32. (1) As used in this section, "miles per gallon" or "MPG" means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

(3) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid for each year of the registration period an additional amount of \$13.

(4) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid for each year of the registration period, an additional amount as follows:

- (a) For vehicles that have a rating of 0-19 MPG, \$18.
- (b) For vehicles that have a rating of 20-39 MPG, \$23.
- (c) For vehicles that have a rating of 40 MPG or greater, \$33.
- (d) For electric vehicles, \$110.

SECTION 33. Section 32 of this 2017 Act is amended to read:

Sec. 32. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

[(3) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid for each year of the registration period an additional amount of \$13.]

[(4) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid for each year of the registration period, an additional amount as follows:]

- [(a) For vehicles that have a rating of 0-19 MPG, \$18.]*
- [(b) For vehicles that have a rating of 20-39 MPG, \$23.]*
- [(c) For vehicles that have a rating of 40 MPG or greater, \$33.]*
- [(d) For electric vehicles, \$110.]*

(3) Except as provided in ORS 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period, an additional amount as follows:

- (a) For vehicles that have a rating of 0-19 MPG, \$20.
- (b) For vehicles that have a rating of 20-39 MPG, \$25.
- (c) For vehicles that have a rating of 40 MPG or greater, \$35.
- (d) For electric vehicles, \$115.

SECTION 34. ORS 803.420 is amended to read:

803.420. *[This section establishes registration fees for vehicles. If there is uncertainty as to the classification of a vehicle for purposes of the payment of registration fees under the vehicle code, the Department of Transportation may classify the vehicle to assure that registration fees for the vehicle are the same as for vehicles the department determines to be comparable. The registration fees for the vehicle shall be those based on the classification determined by the department. Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. The department shall apportion any fee under this section to reflect the number of quarters registered for a vehicle registered for a quarterly registration period under ORS 803.415. The fees are payable when a vehicle is registered and upon renewal of registration. Except as provided in ORS 801.041 (3) and 801.042 (7), the fee shall be increased by any amount established by the governing body of a county or by the governing body of a district, as defined in ORS 801.237, under ORS 801.041 or 801.042 as an additional registration fee for the vehicle. The fees for registration of vehicles are as follows:]*

(1) The vehicle registration fees imposed under this section shall be based on the classifications determined by the Department of Transportation by rule. The department may

classify a vehicle to ensure that registration fees for the vehicle are the same as for other vehicles the department determines to be comparable.

(2) Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. For a vehicle registered for a quarterly registration period under ORS 803.415, the department shall apportion any fee under this section to reflect the number of quarters registered.

(3) Vehicle registration fees are due when a vehicle is registered and when the registered owner renews the registration.

(4) In addition to the registration fees listed in this section, a county or a district may impose an additional registration fee as provided under ORS 801.041 and 801.042.

(5) A rental or leasing company, as defined in ORS 221.275, that elects to initially register a vehicle for an annual or biennial registration period shall pay a fee of \$2 in addition to the vehicle registration fee provided under this section.

(6) The registration fees for each year of the registration period for vehicles subject to biennial registration are as follows:

[(1)] (a) **Passenger** vehicles not otherwise provided for in this section or ORS 821.320, \$43 *[for each year of the registration period]*.

(b) **Utility trailers or light trailers**, as those terms are defined by rule by the department, \$58.

[(2)] (c) **Mopeds and motorcycles**, *[\$24 for each year of the registration period.]* \$39.

[(3)] *Motorcycles, \$24 for each year of the registration period.]*

[(4)] *Government-owned vehicles registered under ORS 805.040, \$3.50.]*

[(5)] *State-owned vehicles registered under ORS 805.045, \$3.50 on registration or renewal.]*

[(6)] *Undercover vehicles registered under ORS 805.060, \$3.50 on registration or renewal.]*

(d) **Low-speed vehicles**, \$58.

(e) **Medium-speed electric vehicles**, \$58.

(7) The registration fees for vehicles that are subject to biennial registration and that are listed in this subsection are as follows:

(a) **State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060**, \$10 upon registration or renewal.

(b) **Fixed load vehicles:**

(A) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, \$61.

(B) If no declaration of weight is submitted or if the weight of the vehicles is in excess of 3,000 pounds, \$82.

(c) **Travel trailers, special use trailers, campers and motor homes**, based on length as determined under ORS 803.425:

(A) **Trailers or campers that are 6 to 10 feet in length**, \$81.

(B) **Trailers or campers over 10 feet in length**, \$81 plus \$6.75 a foot for each foot of length over the first 10 feet.

(C) **Motor homes that are 6 to 14 feet in length**, \$86.

(D) **Motor homes over 14 feet in length**, \$126 plus \$7.50 a foot for each foot of length over the first 10 feet.

(8) The registration fee for trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration is \$30.

(9) The registration fees for vehicles subject to ownership registration are as follows:

(a) **Government-owned vehicles registered under ORS 805.040**, \$5.

(b) **Vehicles registered with special registration for disabled veterans under ORS 805.100 or for former prisoners of war under ORS 805.110**, \$15.

(c) **School vehicles registered under ORS 805.050**, \$5.

(10) The registration fees for vehicles subject to permanent registration are as follows:

[7] (a) Antique vehicles registered under ORS 805.010, [~~54~~] **\$100.**

[8] (b) Vehicles of special interest registered under ORS 805.020, [~~81~~] **\$100.**

(c) **Racing activity vehicles registered under ORS 805.035, \$100.**

(d) **Trailers, \$10.**

(11) **The registration fee for trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500 is the same fee as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.**

(12) **The registration fee for vehicles with proportional registration under ORS 826.009, or proportional fleet registration under ORS 826.011, is the same fee as the fee for vehicles of the same type under this section except that the fees shall be fixed on an apportioned basis as provided under the agreement established under ORS 826.007.**

(13) **In addition to any other registration fees charged for registration of vehicles in fleets under ORS 805.120, the department may charge the following fees:**

(a) **Service charge for each vehicle entered into a fleet, \$3.**

(b) **Service charge for each vehicle in the fleet at the time of renewal, \$2.**

[9] *Electric vehicles and hybrid vehicles that use electricity and another source of motive power, as follows:]*

[a] *The registration fee for an electric or hybrid vehicle not otherwise described in this subsection is \$43 for each year of the registration period.]*

[b] *The registration fee for electric or hybrid vehicles that have two or three wheels is \$43. This paragraph does not apply to electric or hybrid mopeds. Electric or hybrid mopeds are subject to the same registration fee as otherwise provided for mopeds under this section.]*

[c] *The registration fees for the following electric or hybrid vehicles are the same as for comparable nonelectric vehicles described in this section plus 50 percent of such fee:]*

[A] *Motor homes.]*

[B] *Commercial buses.]*

[C] *Vehicles registered as farm vehicles under ORS 805.300.]*

[D] *Vehicles required to establish registration weight under ORS 803.430 or 826.013.]*

(10) (14)(a)(A) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210[,] and commercial buses[,] is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

Weight in Pounds	Fee
8,000 or less	\$ [55] 63
8,001 to 10,000	[344] 396
10,001 to 12,000	[391] 450
12,001 to 14,000	[438] 504
14,001 to 16,000	[485] 558
16,001 to 18,000	[532] 612
18,001 to 20,000	[593] 682
20,001 to 22,000	[640] 736
22,001 to 24,000	[703] 808
24,001 to 26,000	[764] 879
26,001 to 28,000	375
28,001 to 30,000	391
30,001 to 32,000	422
32,001 to 34,000	438
34,001 to 36,000	468

36,001	to	38,000	485
38,001	to	40,000	515
40,001	to	42,000	532
42,001	to	44,000	562
44,001	to	46,000	578
46,001	to	48,000	593
48,001	to	50,000	625
50,001	to	52,000	656
52,001	to	54,000	672
54,001	to	56,000	686
56,001	to	58,000	717
58,001	to	60,000	750
60,001	to	62,000	780
62,001	to	64,000	811
64,001	to	66,000	827
66,001	to	68,000	857
68,001	to	70,000	874
70,001	to	72,000	904
72,001	to	74,000	921
74,001	to	76,000	951
76,001	to	78,000	967
78,001	to	80,000	998
80,001	to	82,000	1,014
82,001	to	84,000	1,045
84,001	to	86,000	1,061
86,001	to	88,000	1,092
88,001	to	90,000	1,108
90,001	to	92,000	1,139
92,001	to	94,000	1,155
94,001	to	96,000	1,185
96,001	to	98,000	1,202
98,001	to	100,000	1,218
100,001	to	102,000	1,249
102,001	to	104,000	1,265
104,001	to	105,500	1,295

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210 and commercial buses is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

Weight in Pounds		Fee
8,000	or less	\$ 70
8,001	to 10,000	437
10,001	to 12,000	497
12,001	to 14,000	556
14,001	to 16,000	616
16,001	to 18,000	676
18,001	to 20,000	753

20,001 to 22,000	813
22,001 to 24,000	893
24,001 to 26,000	970
26,001 to 28,000	375
28,001 to 30,000	391
30,001 to 32,000	422
32,001 to 34,000	438
34,001 to 36,000	468
36,001 to 38,000	485
38,001 to 40,000	515
40,001 to 42,000	532
42,001 to 44,000	562
44,001 to 46,000	578
46,001 to 48,000	593
48,001 to 50,000	625
50,001 to 52,000	656
52,001 to 54,000	672
54,001 to 56,000	686
56,001 to 58,000	717
58,001 to 60,000	750
60,001 to 62,000	780
62,001 to 64,000	811
64,001 to 66,000	827
66,001 to 68,000	857
68,001 to 70,000	874
70,001 to 72,000	904
72,001 to 74,000	921
74,001 to 76,000	951
76,001 to 78,000	967
78,001 to 80,000	998
80,001 to 82,000	1,014
82,001 to 84,000	1,045
84,001 to 86,000	1,061
86,001 to 88,000	1,092
88,001 to 90,000	1,108
90,001 to 92,000	1,139
92,001 to 94,000	1,155
94,001 to 96,000	1,185
96,001 to 98,000	1,202
98,001 to 100,000	1,218
100,001 to 102,000	1,249
102,001 to 104,000	1,265
104,001 to 105,500	1,295

[(11)(a)] (b)(A)(i) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (13), is as provided in the following chart:

Weight in Pounds	Fee
------------------	-----

8,001 to	10,000	\$	[50] 64
10,001 to	12,000		[60] 76
12,001 to	14,000		[65] 83
14,001 to	16,000		[75] 95
16,001 to	18,000		[80] 102
18,001 to	20,000		[90] 114
20,001 to	22,000		[95] 121
22,001 to	24,000		[105] 133
24,001 to	26,000		[110] 140
26,001 to	28,000		[120] 152
28,001 to	30,000		[125] 159
30,001 to	32,000		[135] 171
32,001 to	34,000		[140] 178
34,001 to	36,000		[150] 191
36,001 to	38,000		[155] 197
38,001 to	40,000		[165] 210
40,001 to	42,000		[170] 216
42,001 to	44,000		[180] 229
44,001 to	46,000		[185] 235
46,001 to	48,000		[190] 241
48,001 to	50,000		[200] 254
50,001 to	52,000		[210] 267
52,001 to	54,000		[215] 273
54,001 to	56,000		[220] 279
56,001 to	58,000		[230] 292
58,001 to	60,000		[240] 305
60,001 to	62,000		[250] 318
62,001 to	64,000		[260] 330
64,001 to	66,000		[265] 337
66,001 to	68,000		[275] 349
68,001 to	70,000		[280] 356
70,001 to	72,000		[290] 368
72,001 to	74,000		[295] 375
74,001 to	76,000		[305] 387
76,001 to	78,000		[310] 394
78,001 to	80,000		[320] 406
80,001 to	82,000		[325] 413
82,001 to	84,000		[335] 425
84,001 to	86,000		[340] 432
86,001 to	88,000		[350] 445
88,001 to	90,000		[355] 451
90,001 to	92,000		[365] 464
92,001 to	94,000		[370] 470
94,001 to	96,000		[380] 483
96,001 to	98,000		[385] 489
98,001 to	100,000		[390] 495
100,001 to	102,000		[400] 508
102,001 to	104,000		[405] 514
104,001 to	105,500		[415] 527

(ii) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (13), is as provided in the following chart:

Weight in Pounds		Fee
8,001 to	10,000	\$ 68
10,001 to	12,000	81
12,001 to	14,000	88
14,001 to	16,000	101
16,001 to	18,000	108
18,001 to	20,000	122
20,001 to	22,000	128
22,001 to	24,000	142
24,001 to	26,000	149
26,001 to	28,000	162
28,001 to	30,000	169
30,001 to	32,000	182
32,001 to	34,000	189
34,001 to	36,000	203
36,001 to	38,000	209
38,001 to	40,000	223
40,001 to	42,000	230
42,001 to	44,000	243
44,001 to	46,000	250
46,001 to	48,000	257
48,001 to	50,000	270
50,001 to	52,000	284
52,001 to	54,000	290
54,001 to	56,000	297
56,001 to	58,000	311
58,001 to	60,000	324
60,001 to	62,000	338
62,001 to	64,000	351
64,001 to	66,000	358
66,001 to	68,000	371
68,001 to	70,000	378
70,001 to	72,000	392
72,001 to	74,000	398
74,001 to	76,000	412
76,001 to	78,000	419
78,001 to	80,000	432
80,001 to	82,000	439
82,001 to	84,000	452
84,001 to	86,000	459
86,001 to	88,000	473
88,001 to	90,000	479
90,001 to	92,000	493
92,001 to	94,000	500
94,001 to	96,000	513
96,001 to	98,000	520

98,001 to 100,000	527
100,001 to 102,000	540
102,001 to 104,000	547
104,001 to 105,500	560

[(b)] (B)(i) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor [vehicle is] **vehicles are** registered under [subsection (10)] **paragraph (a)** of this [section] **subsection**, or that are used exclusively to transport manufactured structures, **is** as provided in the following chart:

Weight in Pounds	Fee
8,001 to 10,000	\$ [102] 130
10,001 to 12,000	[122] 155
12,001 to 14,000	[132] 168
14,001 to 16,000	[153] 194
16,001 to 18,000	[163] 207
18,001 to 20,000	[183] 232
20,001 to 22,000	[193] 245
22,001 to 24,000	[214] 272
24,001 to 26,000	[224] 284
26,001 to 28,000	[244] 310
28,001 to 30,000	[255] 324
30,001 to 32,000	[275] 349
32,001 to 34,000	[285] 362
34,001 to 36,000	[306] 389
36,001 to 38,000	[316] 401
38,001 to 40,000	[336] 427
40,001 to 42,000	[346] 439
42,001 to 44,000	[367] 466
44,001 to 46,000	[377] 479
46,001 to 48,000	[387] 491
48,001 to 50,000	[407] 517
50,001 to 52,000	[428] 544
52,001 to 54,000	[438] 556
54,001 to 56,000	[448] 569
56,001 to 58,000	[468] 594
58,001 to 60,000	[489] 621
60,001 to 62,000	[509] 646
62,001 to 64,000	[530] 673
64,001 to 66,000	[540] 686
66,001 to 68,000	[560] 711
68,001 to 70,000	[570] 724
70,001 to 72,000	[591] 751
72,001 to 74,000	[601] 763
74,001 to 76,000	[621] 789
76,001 to 78,000	[631] 801
78,001 to 80,000	[652] 828
80,001 to 82,000	[662] 841
82,001 to 84,000	[682] 866

84,001 to 86,000	[692]	879
86,001 to 88,000	[713]	906
88,001 to 90,000	[723]	918
90,001 to 92,000	[743]	944
92,001 to 94,000	[754]	958
94,001 to 96,000	[774]	983
96,001 to 98,000	[784]	996
98,001 to 100,000	[794]	1,008
100,001 to 102,000	[815]	1,035
102,001 to 104,000	[825]	1,048
104,001 to 105,500	[845]	1,073

(ii) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor vehicles are registered under paragraph (a) of this subsection, or that are used exclusively to transport manufactured structures, is as provided in the following chart:

Weight in Pounds	Fee
8,001 to 10,000	\$ 138
10,001 to 12,000	165
12,001 to 14,000	178
14,001 to 16,000	207
16,001 to 18,000	220
18,001 to 20,000	247
20,001 to 22,000	261
22,001 to 24,000	289
24,001 to 26,000	302
26,001 to 28,000	329
28,001 to 30,000	344
30,001 to 32,000	371
32,001 to 34,000	385
34,001 to 36,000	413
36,001 to 38,000	427
38,001 to 40,000	454
40,001 to 42,000	467
42,001 to 44,000	495
44,001 to 46,000	509
46,001 to 48,000	522
48,001 to 50,000	549
50,001 to 52,000	578
52,001 to 54,000	591
54,001 to 56,000	605
56,001 to 58,000	632
58,001 to 60,000	660
60,001 to 62,000	687
62,001 to 64,000	716
64,001 to 66,000	729
66,001 to 68,000	756
68,001 to 70,000	770

70,001 to 72,000	798
72,001 to 74,000	811
74,001 to 76,000	838
76,001 to 78,000	852
78,001 to 80,000	880
80,001 to 82,000	894
82,001 to 84,000	921
84,001 to 86,000	934
86,001 to 88,000	963
88,001 to 90,000	976
90,001 to 92,000	1,003
92,001 to 94,000	1,018
94,001 to 96,000	1,045
96,001 to 98,000	1,058
98,001 to 100,000	1,072
100,001 to 102,000	1,100
102,001 to 104,000	1,114
104,001 to 105,500	1,141

[c] (C) The owner of a vehicle described in [paragraphs (a) and (b) of this subsection] **subparagraph (A) or (B) of this paragraph** must certify at the time of initial registration, in a manner determined by the department by rule, that the motor vehicle will be used exclusively to transport manufactured structures or exclusively as described in ORS 822.210, unless the motor vehicle is registered under [subsection (10) of this section] **paragraph (a) of this subsection**, or as described in ORS 825.015 or 825.017 (13). Registration of a vehicle described in [paragraphs (a) and (b) of this subsection] **subparagraph (A) or (B) of this paragraph** is invalid if the vehicle is operated in any manner other than that described in the certification under this [paragraph] **subparagraph**.

(c)(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

Weight in Pounds	Fee
8,000 or less	\$ 44
8,001 to 10,000	58
10,001 to 12,000	67
12,001 to 14,000	86
14,001 to 16,000	97
16,001 to 18,000	116
18,001 to 20,000	126
20,001 to 22,000	145
22,001 to 24,000	154
24,001 to 26,000	174
26,001 to 28,000	183
28,001 to 30,000	202
30,001 to 32,000	212
32,001 to 34,000	231
34,001 to 36,000	241
36,001 to 38,000	260
38,001 to 40,000	271

40,001	to	42,000	290
42,001	to	44,000	298
44,001	to	46,000	319
46,001	to	48,000	328
48,001	to	50,000	347
50,001	to	52,000	357
52,001	to	54,000	366
54,001	to	56,000	386
56,001	to	58,000	405
58,001	to	60,000	414
60,001	to	62,000	424
62,001	to	64,000	443
64,001	to	66,000	462
66,001	to	68,000	472
68,001	to	70,000	483
70,001	to	72,000	502
72,001	to	74,000	511
74,001	to	76,000	531
76,001	to	78,000	540
78,001	to	80,000	559
80,001	to	82,000	569
82,001	to	84,000	588
84,001	to	86,000	598
86,001	to	88,000	617
88,001	to	90,000	626
90,001	to	92,000	646
92,001	to	94,000	655
94,001	to	96,000	674
96,001	to	98,000	685
98,001	to	100,000	704
100,001	to	102,000	714
102,001	to	104,000	733
104,001	to	105,500	743

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

Weight in Pounds		Fee
8,000	or less	\$ 47
8,001	to 10,000	62
10,001	to 12,000	72
12,001	to 14,000	92
14,001	to 16,000	103
16,001	to 18,000	123
18,001	to 20,000	134
20,001	to 22,000	154
22,001	to 24,000	163
24,001	to 26,000	185

26,001	to	28,000	194
28,001	to	30,000	215
30,001	to	32,000	225
32,001	to	34,000	246
34,001	to	36,000	257
36,001	to	38,000	277
38,001	to	40,000	288
40,001	to	42,000	308
42,001	to	44,000	317
44,001	to	46,000	339
46,001	to	48,000	348
48,001	to	50,000	369
50,001	to	52,000	379
52,001	to	54,000	389
54,001	to	56,000	410
56,001	to	58,000	431
58,001	to	60,000	440
60,001	to	62,000	451
62,001	to	64,000	471
64,001	to	66,000	491
66,001	to	68,000	502
68,001	to	70,000	513
70,001	to	72,000	533
72,001	to	74,000	543
74,001	to	76,000	564
76,001	to	78,000	574
78,001	to	80,000	594
80,001	to	82,000	605
82,001	to	84,000	625
84,001	to	86,000	636
86,001	to	88,000	656
88,001	to	90,000	666
90,001	to	92,000	687
92,001	to	94,000	697
94,001	to	96,000	717
96,001	to	98,000	728
98,001	to	100,000	748
100,001	to	102,000	759
102,001	to	104,000	779
104,001	to	105,500	790

(d) For any vehicle that is registered under a quarterly registration period, the registration fee is a minimum of \$15 for each quarter registered plus an additional fee of \$2.

[(12) Trailers registered under permanent registration, \$10.]

[(13) Fixed load vehicles as follows:]

[(a) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, \$54.]

[(b) If no declaration of weight is submitted or if the weight of the vehicle is in excess of 3,000 pounds, \$75.]

[(14) Trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration, \$27.]

[(15) Trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500, the same as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.]

[(16) Travel trailers, campers and motor homes as follows, based on length as determined under ORS 803.425:]

[(a) For travel trailers or campers that are 6 to 10 feet in length, \$81.]

[(b) For travel trailers or campers over 10 feet in length, \$81 plus \$6.75 a foot for each foot of length over the first 10 feet.]

[(c) For motor homes that are 6 to 14 feet in length, \$54.]

[(d) For motor homes over 14 feet in length, \$126 plus \$7.50 a foot for each foot of length over the first 10 feet.]

[(17) Special use trailers as follows, based on length as determined under ORS 803.425:]

[(a) For lengths 6 to 10 feet, \$54.]

[(b) For special use trailers over 10 feet in length, \$54 plus \$3 a foot for each foot of length over the first 10 feet.]

[(18) Fees for vehicles with proportional registration under ORS 826.009, or proportioned fleet registration under ORS 826.011, are as provided for vehicles of the same type under this section except that the fees shall be fixed on an apportioned basis as provided under the agreement established under ORS 826.007.]

[(19) For any vehicle that is registered under a quarterly registration period, a minimum of \$15 for each quarter registered plus an additional fee of \$1.]

[(20) In addition to any other fees charged for registration of vehicles in fleets under ORS 805.120, the department may charge the following fees:]

[(a) A \$2 service charge for each vehicle entered into a fleet.]

[(b) A \$1 service charge for each vehicle in the fleet at the time of renewal.]

[(21) The registration fee for vehicles with special registration for disabled veterans under ORS 805.100 is a fee of \$15.]

[(22) Subject to subsection (19) of this section, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as follows based upon the registration weight given in the declaration of weight submitted under ORS 803.435:]

[_____]

Weight in Pounds	Fee
8,000 or less	\$ 35
8,001 to 10,000	46
10,001 to 12,000	53
12,001 to 14,000	68
14,001 to 16,000	76
16,001 to 18,000	91
18,001 to 20,000	99
20,001 to 22,000	114
22,001 to 24,000	121
24,001 to 26,000	137
26,001 to 28,000	144
28,001 to 30,000	159
30,001 to 32,000	167
32,001 to 34,000	182
34,001 to 36,000	190
36,001 to 38,000	205
38,001 to 40,000	213
40,001 to 42,000	228
42,001 to 44,000	235

44,001 to	46,000	251
46,001 to	48,000	258
48,001 to	50,000	273
50,001 to	52,000	281
52,001 to	54,000	288
54,001 to	56,000	304
56,001 to	58,000	319
58,001 to	60,000	326
60,001 to	62,000	334
62,001 to	64,000	349
64,001 to	66,000	364
66,001 to	68,000	372
68,001 to	70,000	380
70,001 to	72,000	395
72,001 to	74,000	402
74,001 to	76,000	418
76,001 to	78,000	425
78,001 to	80,000	440
80,001 to	82,000	448
82,001 to	84,000	463
84,001 to	86,000	471
86,001 to	88,000	486
88,001 to	90,000	493
90,001 to	92,000	509
92,001 to	94,000	516
94,001 to	96,000	531
96,001 to	98,000	539
98,001 to	100,000	554
100,001 to	102,000	562
102,001 to	104,000	577
104,001 to	105,500	585

[_____]

[*(23) The registration fee for school vehicles registered under ORS 805.050 is \$7.50.*]

[*(24) The registration fee for a low-speed vehicle is \$43, for each year of the registration period.*]

[*(25) A rental or leasing company, as defined in ORS 221.275, that elects to initially register a vehicle for an annual or biennial registration period shall pay a fee of \$1 in addition to the vehicle registration fee provided under this section.*]

[*(26) Racing activity vehicles registered under ORS 805.035, \$81.*]

[*(27) Medium-speed electric vehicles, \$43 for each year of the registration period.*]

SECTION 35. ORS 803.420, as amended by section 34 of this 2017 Act, is amended to read:

803.420. (1) The vehicle registration fees imposed under this section shall be based on the classifications determined by the Department of Transportation by rule. The department may classify a vehicle to ensure that registration fees for the vehicle are the same as for other vehicles the department determines to be comparable.

(2) Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. For a vehicle registered for a quarterly registration period under ORS 803.415, the department shall apportion any fee under this section to reflect the number of quarters registered.

(3) Vehicle registration fees are due when a vehicle is registered and when the registered owner renews the registration.

(4) In addition to the registration fees listed in this section, a county or a district may impose an additional registration fee as provided under ORS 801.041 and 801.042.

(5) A rental or leasing company, as defined in ORS 221.275, that elects to initially register a vehicle for an annual or biennial registration period shall pay a fee of \$2 in addition to the vehicle registration fee provided under this section.

(6) The registration fees for each year of the registration period for vehicles subject to biennial registration are as follows:

(a) Passenger vehicles not otherwise provided for in this section or ORS 821.320, \$43.

(b) Utility trailers or light trailers, as those terms are defined by rule by the department, [~~\$58~~] **\$63**.

(c) Mopeds and motorcycles, [~~\$39~~] **\$44**.

(d) Low-speed vehicles, [~~\$58~~] **\$63**.

(e) Medium-speed electric vehicles, [~~\$58~~] **\$63**.

(7) The registration fees for vehicles that are subject to biennial registration and that are listed in this subsection are as follows:

(a) State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060, \$10 upon registration or renewal.

(b) Fixed load vehicles:

(A) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, \$61.

(B) If no declaration of weight is submitted or if the weight of the vehicles is in excess of 3,000 pounds, \$82.

(c) Travel trailers, special use trailers, campers and motor homes, based on length as determined under ORS 803.425:

(A) Trailers or campers that are 6 to 10 feet in length, \$81.

(B) Trailers or campers over 10 feet in length, \$81 plus \$6.75 a foot for each foot of length over the first 10 feet.

(C) Motor homes that are 6 to 14 feet in length, \$86.

(D) Motor homes over 14 feet in length, \$126 plus \$7.50 a foot for each foot of length over the first 10 feet.

(8) The registration fee for trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration is \$30.

(9) The registration fees for vehicles subject to ownership registration are as follows:

(a) Government-owned vehicles registered under ORS 805.040, \$5.

(b) Vehicles registered with special registration for disabled veterans under ORS 805.100 or for former prisoners of war under ORS 805.110, \$15.

(c) School vehicles registered under ORS 805.050, \$5.

(10) The registration fees for vehicles subject to permanent registration are as follows:

(a) Antique vehicles registered under ORS 805.010, \$100.

(b) Vehicles of special interest registered under ORS 805.020, \$100.

(c) Racing activity vehicles registered under ORS 805.035, \$100.

(d) Trailers, \$10.

(11) The registration fee for trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500 is the same fee as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.

(12) The registration fee for vehicles with proportional registration under ORS 826.009, or proportional fleet registration under ORS 826.011, is the same fee as the fee for vehicles of the same type under this section except that the fees shall be fixed on an apportioned basis as provided under the agreement established under ORS 826.007.

(13) In addition to any other registration fees charged for registration of vehicles in fleets under ORS 805.120, the department may charge the following fees:

(a) Service charge for each vehicle entered into a fleet, \$3.

(b) Service charge for each vehicle in the fleet at the time of renewal, \$2.

[(14)(a)(A) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210 and commercial buses is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:]

[_____]

Weight in Pounds		Fee
		\$
8,000 or less		63
8,001 to 10,000		396
10,001 to 12,000		450
12,001 to 14,000		504
14,001 to 16,000		558
16,001 to 18,000		612
18,001 to 20,000		682
20,001 to 22,000		736
22,001 to 24,000		808
24,001 to 26,000		879
26,001 to 28,000		375
28,001 to 30,000		391
30,001 to 32,000		422
32,001 to 34,000		438
34,001 to 36,000		468
36,001 to 38,000		485
38,001 to 40,000		515
40,001 to 42,000		532
42,001 to 44,000		562
44,001 to 46,000		578
46,001 to 48,000		593
48,001 to 50,000		625
50,001 to 52,000		656
52,001 to 54,000		672
54,001 to 56,000		686
56,001 to 58,000		717
58,001 to 60,000		750
60,001 to 62,000		780
62,001 to 64,000		811
64,001 to 66,000		827
66,001 to 68,000		857
68,001 to 70,000		874
70,001 to 72,000		904
72,001 to 74,000		921
74,001 to 76,000		951
76,001 to 78,000		967
78,001 to 80,000		998
80,001 to 82,000		1,014
82,001 to 84,000		1,045
84,001 to 86,000		1,061
86,001 to 88,000		1,092
88,001 to 90,000		1,108

90,001 to	92,000	1,139
92,001 to	94,000	1,155
94,001 to	96,000	1,185
96,001 to	98,000	1,202
98,001 to	100,000	1,218
100,001 to	102,000	1,249
102,001 to	104,000	1,265
104,001 to	105,500	1,295

[_____]

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210 and commercial buses is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:]

[_____]

<i>Weight in Pounds</i>	<i>Fee</i>
8,000 or less	\$ 70
8,001 to 10,000	437
10,001 to 12,000	497
12,001 to 14,000	556
14,001 to 16,000	616
16,001 to 18,000	676
18,001 to 20,000	753
20,001 to 22,000	813
22,001 to 24,000	893
24,001 to 26,000	970
26,001 to 28,000	375
28,001 to 30,000	391
30,001 to 32,000	422
32,001 to 34,000	438
34,001 to 36,000	468
36,001 to 38,000	485
38,001 to 40,000	515
40,001 to 42,000	532
42,001 to 44,000	562
44,001 to 46,000	578
46,001 to 48,000	593
48,001 to 50,000	625
50,001 to 52,000	656
52,001 to 54,000	672
54,001 to 56,000	686
56,001 to 58,000	717
58,001 to 60,000	750
60,001 to 62,000	780
62,001 to 64,000	811
64,001 to 66,000	827
66,001 to 68,000	857
68,001 to 70,000	874
70,001 to 72,000	904
72,001 to 74,000	921

74,001 to	76,000	951
76,001 to	78,000	967
78,001 to	80,000	998
80,001 to	82,000	1,014
82,001 to	84,000	1,045
84,001 to	86,000	1,061
86,001 to	88,000	1,092
88,001 to	90,000	1,108
90,001 to	92,000	1,139
92,001 to	94,000	1,155
94,001 to	96,000	1,185
96,001 to	98,000	1,202
98,001 to	100,000	1,218
100,001 to	102,000	1,249
102,001 to	104,000	1,265
104,001 to	105,500	1,295

[_____]

[(b)(A)(i) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (13), is as provided in the following chart:]

[_____]

<i>Weight in Pounds</i>	<i>Fee</i>
8,001 to 10,000	\$ 64
10,001 to 12,000	76
12,001 to 14,000	83
14,001 to 16,000	95
16,001 to 18,000	102
18,001 to 20,000	114
20,001 to 22,000	121
22,001 to 24,000	133
24,001 to 26,000	140
26,001 to 28,000	152
28,001 to 30,000	159
30,001 to 32,000	171
32,001 to 34,000	178
34,001 to 36,000	191
36,001 to 38,000	197
38,001 to 40,000	210
40,001 to 42,000	216
42,001 to 44,000	229
44,001 to 46,000	235
46,001 to 48,000	241
48,001 to 50,000	254
50,001 to 52,000	267
52,001 to 54,000	273
54,001 to 56,000	279
56,001 to 58,000	292
58,001 to 60,000	305
60,001 to 62,000	318

62,001 to	64,000	330
64,001 to	66,000	337
66,001 to	68,000	349
68,001 to	70,000	356
70,001 to	72,000	368
72,001 to	74,000	375
74,001 to	76,000	387
76,001 to	78,000	394
78,001 to	80,000	406
80,001 to	82,000	413
82,001 to	84,000	425
84,001 to	86,000	432
86,001 to	88,000	445
88,001 to	90,000	451
90,001 to	92,000	464
92,001 to	94,000	470
94,001 to	96,000	483
96,001 to	98,000	489
98,001 to	100,000	495
100,001 to	102,000	508
102,001 to	104,000	514
104,001 to	105,500	527

[_____]

[(ii) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (13), is as provided in the following chart:]

[_____]

<i>Weight in Pounds</i>	<i>Fee</i>
8,001 to 10,000	\$ 68
10,001 to 12,000	81
12,001 to 14,000	88
14,001 to 16,000	101
16,001 to 18,000	108
18,001 to 20,000	122
20,001 to 22,000	128
22,001 to 24,000	142
24,001 to 26,000	149
26,001 to 28,000	162
28,001 to 30,000	169
30,001 to 32,000	182
32,001 to 34,000	189
34,001 to 36,000	203
36,001 to 38,000	209
38,001 to 40,000	223
40,001 to 42,000	230
42,001 to 44,000	243
44,001 to 46,000	250
46,001 to 48,000	257
48,001 to 50,000	270

50,001 to	52,000	284
52,001 to	54,000	290
54,001 to	56,000	297
56,001 to	58,000	311
58,001 to	60,000	324
60,001 to	62,000	338
62,001 to	64,000	351
64,001 to	66,000	358
66,001 to	68,000	371
68,001 to	70,000	378
70,001 to	72,000	392
72,001 to	74,000	398
74,001 to	76,000	412
76,001 to	78,000	419
78,001 to	80,000	432
80,001 to	82,000	439
82,001 to	84,000	452
84,001 to	86,000	459
86,001 to	88,000	473
88,001 to	90,000	479
90,001 to	92,000	493
92,001 to	94,000	500
94,001 to	96,000	513
96,001 to	98,000	520
98,001 to	100,000	527
100,001 to	102,000	540
102,001 to	104,000	547
104,001 to	105,500	560

[_____]

[(B)(i) For the period beginning January 1, 2018, and ending December 31, 2019, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor vehicles are registered under paragraph (a) of this subsection, or that are used exclusively to transport manufactured structures, is as provided in the following chart:]

[_____]

<i>Weight in Pounds</i>		<i>Fee</i>	
8,001 to	10,000	\$	130
10,001 to	12,000		155
12,001 to	14,000		168
14,001 to	16,000		194
16,001 to	18,000		207
18,001 to	20,000		232
20,001 to	22,000		245
22,001 to	24,000		272
24,001 to	26,000		284
26,001 to	28,000		310
28,001 to	30,000		324
30,001 to	32,000		349
32,001 to	34,000		362
34,001 to	36,000		389
36,001 to	38,000		401

38,001	to	40,000	427
40,001	to	42,000	439
42,001	to	44,000	466
44,001	to	46,000	479
46,001	to	48,000	491
48,001	to	50,000	517
50,001	to	52,000	544
52,001	to	54,000	556
54,001	to	56,000	569
56,001	to	58,000	594
58,001	to	60,000	621
60,001	to	62,000	646
62,001	to	64,000	673
64,001	to	66,000	686
66,001	to	68,000	711
68,001	to	70,000	724
70,001	to	72,000	751
72,001	to	74,000	763
74,001	to	76,000	789
76,001	to	78,000	801
78,001	to	80,000	828
80,001	to	82,000	841
82,001	to	84,000	866
84,001	to	86,000	879
86,001	to	88,000	906
88,001	to	90,000	918
90,001	to	92,000	944
92,001	to	94,000	958
94,001	to	96,000	983
96,001	to	98,000	996
98,001	to	100,000	1,008
100,001	to	102,000	1,035
102,001	to	104,000	1,048
104,001	to	105,500	1,073

[_____]

[(ii) For the period beginning on January 1, 2020, and ending on December 31, 2021, the registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor vehicles are registered under paragraph (a) of this subsection, or that are used exclusively to transport manufactured structures, is as provided in the following chart:]

[_____]

<i>Weight in Pounds</i>		<i>Fee</i>
8,001	to 10,000	\$ 138
10,001	to 12,000	165
12,001	to 14,000	178
14,001	to 16,000	207
16,001	to 18,000	220
18,001	to 20,000	247
20,001	to 22,000	261
22,001	to 24,000	289
24,001	to 26,000	302

26,001 to	28,000	329
28,001 to	30,000	344
30,001 to	32,000	371
32,001 to	34,000	385
34,001 to	36,000	413
36,001 to	38,000	427
38,001 to	40,000	454
40,001 to	42,000	467
42,001 to	44,000	495
44,001 to	46,000	509
46,001 to	48,000	522
48,001 to	50,000	549
50,001 to	52,000	578
52,001 to	54,000	591
54,001 to	56,000	605
56,001 to	58,000	632
58,001 to	60,000	660
60,001 to	62,000	687
62,001 to	64,000	716
64,001 to	66,000	729
66,001 to	68,000	756
68,001 to	70,000	770
70,001 to	72,000	798
72,001 to	74,000	811
74,001 to	76,000	838
76,001 to	78,000	852
78,001 to	80,000	880
80,001 to	82,000	894
82,001 to	84,000	921
84,001 to	86,000	934
86,001 to	88,000	963
88,001 to	90,000	976
90,001 to	92,000	1,003
92,001 to	94,000	1,018
94,001 to	96,000	1,045
96,001 to	98,000	1,058
98,001 to	100,000	1,072
100,001 to	102,000	1,100
102,001 to	104,000	1,114
104,001 to	105,500	1,141

[_____]

(14)(a) The registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210 and commercial buses is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

Weight in Pounds	Fee
8,000 or less	\$ 74
8,001 to 10,000	464

10,001	to	12,000	528
12,001	to	14,000	591
14,001	to	16,000	655
16,001	to	18,000	718
18,001	to	20,000	801
20,001	to	22,000	864
22,001	to	24,000	949
24,001	to	26,000	1,031
26,001	to	28,000	375
28,001	to	30,000	391
30,001	to	32,000	422
32,001	to	34,000	438
34,001	to	36,000	468
36,001	to	38,000	485
38,001	to	40,000	515
40,001	to	42,000	532
42,001	to	44,000	562
44,001	to	46,000	578
46,001	to	48,000	593
48,001	to	50,000	625
50,001	to	52,000	656
52,001	to	54,000	672
54,001	to	56,000	686
56,001	to	58,000	717
58,001	to	60,000	750
60,001	to	62,000	780
62,001	to	64,000	811
64,001	to	66,000	827
66,001	to	68,000	857
68,001	to	70,000	874
70,001	to	72,000	904
72,001	to	74,000	921
74,001	to	76,000	951
76,001	to	78,000	967
78,001	to	80,000	998
80,001	to	82,000	1,014
82,001	to	84,000	1,045
84,001	to	86,000	1,061
86,001	to	88,000	1,092
88,001	to	90,000	1,108
90,001	to	92,000	1,139
92,001	to	94,000	1,155
94,001	to	96,000	1,185
96,001	to	98,000	1,202
98,001	to	100,000	1,218
100,001	to	102,000	1,249
102,001	to	104,000	1,265
104,001	to	105,500	1,295

(b)(A) The registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined in ORS 825.017 (13), is as provided in the following chart:

Weight in Pounds		Fee
8,001 to	10,000	\$ 71
10,001 to	12,000	85
12,001 to	14,000	92
14,001 to	16,000	107
16,001 to	18,000	114
18,001 to	20,000	128
20,001 to	22,000	135
22,001 to	24,000	149
24,001 to	26,000	156
26,001 to	28,000	170
28,001 to	30,000	178
30,001 to	32,000	192
32,001 to	34,000	199
34,001 to	36,000	213
36,001 to	38,000	220
38,001 to	40,000	234
40,001 to	42,000	241
42,001 to	44,000	256
44,001 to	46,000	263
46,001 to	48,000	270
48,001 to	50,000	284
50,001 to	52,000	298
52,001 to	54,000	305
54,001 to	56,000	312
56,001 to	58,000	327
58,001 to	60,000	341
60,001 to	62,000	355
62,001 to	64,000	369
64,001 to	66,000	376
66,001 to	68,000	391
68,001 to	70,000	398
70,001 to	72,000	412
72,001 to	74,000	419
74,001 to	76,000	433
76,001 to	78,000	440
78,001 to	80,000	454
80,001 to	82,000	462
82,001 to	84,000	476
84,001 to	86,000	483
86,001 to	88,000	497
88,001 to	90,000	504
90,001 to	92,000	518
92,001 to	94,000	525
94,001 to	96,000	540
96,001 to	98,000	547
98,001 to	100,000	554

100,001 to 102,000	568
102,001 to 104,000	575
104,001 to 105,500	589

(B) The registration fee for motor vehicles with a registration weight of more than 8,000 pounds that are certified under ORS 822.205, unless the motor vehicles are registered under paragraph (a) of this subsection, or that are used exclusively to transport manufactured structures, is as provided in the following chart:

Weight in Pounds	Fee
8,001 to 10,000	\$ 145
10,001 to 12,000	173
12,001 to 14,000	187
14,001 to 16,000	217
16,001 to 18,000	231
18,001 to 20,000	260
20,001 to 22,000	274
22,001 to 24,000	304
24,001 to 26,000	318
26,001 to 28,000	346
28,001 to 30,000	362
30,001 to 32,000	391
32,001 to 34,000	405
34,001 to 36,000	435
36,001 to 38,000	449
38,001 to 40,000	477
40,001 to 42,000	491
42,001 to 44,000	521
44,001 to 46,000	535
46,001 to 48,000	550
48,001 to 50,000	578
50,001 to 52,000	608
52,001 to 54,000	622
54,001 to 56,000	636
56,001 to 58,000	665
58,001 to 60,000	694
60,001 to 62,000	723
62,001 to 64,000	753
64,001 to 66,000	767
66,001 to 68,000	795
68,001 to 70,000	809
70,001 to 72,000	839
72,001 to 74,000	853
74,001 to 76,000	882
76,001 to 78,000	896
78,001 to 80,000	926
80,001 to 82,000	940
82,001 to 84,000	968
84,001 to 86,000	983
86,001 to 88,000	1,012

88,001 to 90,000	1,027
90,001 to 92,000	1,055
92,001 to 94,000	1,071
94,001 to 96,000	1,099
96,001 to 98,000	1,113
98,001 to 100,000	1,127
100,001 to 102,000	1,157
102,001 to 104,000	1,172
104,001 to 105,500	1,200

(C) The owner of a vehicle described in subparagraph (A) or (B) of this paragraph must certify at the time of initial registration, in a manner determined by the department by rule, that the motor vehicle will be used exclusively to transport manufactured structures or exclusively as described in ORS 822.210, unless the motor vehicle is registered under paragraph (a) of this subsection, or as described in ORS 825.015 or 825.017 (13). Registration of a vehicle described in subparagraph (A) or (B) of this paragraph is invalid if the vehicle is operated in any manner other than that described in the certification under this subparagraph.

(c)[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019,] Subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registration weight given in the declaration of weight submitted under ORS 803.435:

[_____]

<i>Weight in Pounds</i>	<i>Fee</i>
8,000 or less	\$ 44
8,001 to 10,000	58
10,001 to 12,000	67
12,001 to 14,000	86
14,001 to 16,000	97
16,001 to 18,000	116
18,001 to 20,000	126
20,001 to 22,000	145
22,001 to 24,000	154
24,001 to 26,000	174
26,001 to 28,000	183
28,001 to 30,000	202
30,001 to 32,000	212
32,001 to 34,000	231
34,001 to 36,000	241
36,001 to 38,000	260
38,001 to 40,000	271
40,001 to 42,000	290
42,001 to 44,000	298
44,001 to 46,000	319
46,001 to 48,000	328
48,001 to 50,000	347
50,001 to 52,000	357
52,001 to 54,000	366
54,001 to 56,000	386
56,001 to 58,000	405
58,001 to 60,000	414

60,001 to	62,000	424
62,001 to	64,000	443
64,001 to	66,000	462
66,001 to	68,000	472
68,001 to	70,000	483
70,001 to	72,000	502
72,001 to	74,000	511
74,001 to	76,000	531
76,001 to	78,000	540
78,001 to	80,000	559
80,001 to	82,000	569
82,001 to	84,000	588
84,001 to	86,000	598
86,001 to	88,000	617
88,001 to	90,000	626
90,001 to	92,000	646
92,001 to	94,000	655
94,001 to	96,000	674
96,001 to	98,000	685
98,001 to	100,000	704
100,001 to	102,000	714
102,001 to	104,000	733
104,001 to	105,500	743

[_____]

Weight in Pounds		Fee
8,000 or less		\$ 50
8,001 to 10,000		65
10,001 to 12,000		75
12,001 to 14,000		97
14,001 to 16,000		108
16,001 to 18,000		129
18,001 to 20,000		141
20,001 to 22,000		162
22,001 to 24,000		172
24,001 to 26,000		195
26,001 to 28,000		204
28,001 to 30,000		226
30,001 to 32,000		237
32,001 to 34,000		258
34,001 to 36,000		270
36,001 to 38,000		291
38,001 to 40,000		302
40,001 to 42,000		324
42,001 to 44,000		334
44,001 to 46,000		356
46,001 to 48,000		366
48,001 to 50,000		388
50,001 to 52,000		399
52,001 to 54,000		409

54,001 to	56,000	432
56,001 to	58,000	453
58,001 to	60,000	463
60,001 to	62,000	474
62,001 to	64,000	496
64,001 to	66,000	517
66,001 to	68,000	528
68,001 to	70,000	540
70,001 to	72,000	561
72,001 to	74,000	571
74,001 to	76,000	594
76,001 to	78,000	604
78,001 to	80,000	625
80,001 to	82,000	636
82,001 to	84,000	657
84,001 to	86,000	669
86,001 to	88,000	690
88,001 to	90,000	700
90,001 to	92,000	723
92,001 to	94,000	733
94,001 to	96,000	754
96,001 to	98,000	765
98,001 to	100,000	787
100,001 to	102,000	798
102,001 to	104,000	819
104,001 to	105,500	831

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registration weight given in the declaration of weight submitted under ORS 803.435:]

[_____]

<i>Weight in Pounds</i>	<i>Fee</i>
8,000 or less	\$ 47
8,001 to 10,000	62
10,001 to 12,000	72
12,001 to 14,000	92
14,001 to 16,000	103
16,001 to 18,000	123
18,001 to 20,000	134
20,001 to 22,000	154
22,001 to 24,000	163
24,001 to 26,000	185
26,001 to 28,000	194
28,001 to 30,000	215
30,001 to 32,000	225
32,001 to 34,000	246
34,001 to 36,000	257
36,001 to 38,000	277
38,001 to 40,000	288

40,001 to	42,000	308
42,001 to	44,000	317
44,001 to	46,000	339
46,001 to	48,000	348
48,001 to	50,000	369
50,001 to	52,000	379
52,001 to	54,000	389
54,001 to	56,000	410
56,001 to	58,000	431
58,001 to	60,000	440
60,001 to	62,000	451
62,001 to	64,000	471
64,001 to	66,000	491
66,001 to	68,000	502
68,001 to	70,000	513
70,001 to	72,000	533
72,001 to	74,000	543
74,001 to	76,000	564
76,001 to	78,000	574
78,001 to	80,000	594
80,001 to	82,000	605
82,001 to	84,000	625
84,001 to	86,000	636
86,001 to	88,000	656
88,001 to	90,000	666
90,001 to	92,000	687
92,001 to	94,000	697
94,001 to	96,000	717
96,001 to	98,000	728
98,001 to	100,000	748
100,001 to	102,000	759
102,001 to	104,000	779
104,001 to	105,500	790

[_____]

(d) For any vehicle that is registered under a quarterly registration period, the registration fee is a minimum of \$15 for each quarter registered plus an additional fee of \$2.

SECTION 36. The amendments to ORS 803.420 by section 35 of this 2017 Act apply to registration fees imposed on or after January 1, 2022.

SECTION 37. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

(3) In addition to the title fees prescribed under ORS 803.090 (1)(c), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid an additional amount of \$16.

(4) In addition to the title fees prescribed under ORS 803.090 (1)(c), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid an additional amount as follows:

(a) For vehicles that have a rating of 0-19 MPG or nonmotorized vehicles, \$21.

(b) For vehicles that have a rating of 20-39 MPG, \$26.

(c) For vehicles that have a rating of 40 MPG or greater, \$36.

(d) For electric vehicles, \$110.

SECTION 38. Section 37 of this 2017 Act is amended to read:

Sec. 37. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

[(3) In addition to the title fees prescribed under ORS 803.090 (1)(c), during the period beginning on January 1, 2018, and ending on December 31, 2019, there shall be paid an additional amount of \$16.]

[(4) In addition to the title fees prescribed under ORS 803.090 (1)(c), during the period beginning on January 1, 2020, and ending on December 31, 2021, there shall be paid an additional amount as follows:]

[(a) For vehicles that have a rating of 0-19 MPG or nonmotorized vehicles, \$21.]

[(b) For vehicles that have a rating of 20-39 MPG, \$26.]

[(c) For vehicles that have a rating of 40 MPG or greater, \$36.]

[(d) For electric vehicles, \$110.]

(3) In addition to the title fees prescribed under ORS 803.090 (1)(c), there shall be paid an additional amount as follows:

(a) For vehicles that have a rating of 0-19 MPG or nonmotorized vehicles, \$24.

(b) For vehicles that have a rating of 20-39 MPG, \$29.

(c) For vehicles that have a rating of 40 MPG or greater, \$39.

(d) For electric vehicles, \$115.

SECTION 39. The amendments to section 32 of this 2017 Act by section 33 of this 2017 Act, and the amendments to section 37 of this 2017 Act by section 38 of this 2017 Act, apply to fees imposed on or after January 1, 2022.

SECTION 39a. ORS 803.090 is amended to read:

803.090. *[The following fees are the fees for the transaction described:]*

[(1) The transfer fee under ORS 803.092:]

[(a) For a salvage title, \$27.]

[(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.]

[(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, \$77.]

[(2) The fee for issuance of a certificate of title under ORS 803.045:]

[(a) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.]

[(b) For vehicles other than vehicles for which the title fee is described in paragraph (a) of this subsection, \$77.]

[(3) The fee for issuance of a salvage title certificate under ORS 803.140, \$27.]

[(4) The fee for issuance of a duplicate or replacement certificate of title under ORS 803.065:]

[(a) For a duplicate or replacement salvage title certificate, \$27.]

[(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.]

[(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, \$77.]

[(5) The fee under subsection (4) of this section may not be paid at the same time as a transfer fee under this section if application is made at the same time as application for transfer.]

[(6) The fee for issuance of a new certificate of title under ORS 803.220 indicating a change of name or address:]

[(a) For a new salvage title certificate, \$27.]

[(b) For trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.]

[(c) For vehicles other than vehicles for which the title fee is described in paragraph (b) of this subsection, \$77.]

(1) Except as provided in subsection (2) of this section, the fee to issue a certificate of title under ORS 803.045 or 803.140, to transfer title under ORS 803.092, to issue a duplicate or replacement certificate of title under ORS 803.065 or to issue a new title due to name or address change under ORS 803.220 is as follows:

(a) For a salvage title, \$27.

(b) For a vehicle title for trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.

(c) For a vehicle title for vehicles other than those vehicles described in paragraph (b) of this subsection, \$77.

(2) If an application for a duplicate or replacement certificate of title is filed at the same time as an application for a transfer of title for the same vehicle, the applicant is required to pay only the transfer of title fee.

[(7)] **(3) The fee for late presentation of certificate of title under ORS 803.105[,] is \$25 from the 31st day after the transfer through the 60th day after the transfer and \$50 thereafter.**

[(8)] **(4) The fees for title transactions involving a form of title other than a certificate shall be the amounts established by the Department of Transportation by rule under ORS 803.012.**

CONFORMING AMENDMENTS

SECTION 39b. ORS 801.041 is amended to read:

801.041. The following apply to the authority granted to counties by ORS 801.040 to establish registration fees for vehicles:

(1) An ordinance establishing registration fees under this section must be enacted by the county imposing the registration fee and filed with the Department of Transportation. Notwithstanding ORS 203.055 or any provision of a county charter, the governing body of a county with a population of 350,000 or more may enact an ordinance establishing registration fees. The governing body of a county with a population of less than 350,000 may enact an ordinance establishing registration fees after submitting the ordinance to the electors of the county for their approval. The governing body of the county imposing the registration fee shall enter into an intergovernmental agreement under ORS 190.010 with the department by which the department shall collect the registration fees, pay them over to the county and, if necessary, allow the credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date on which the department shall begin collecting registration fees for the county.

(2) The authority granted by this section allows the establishment of registration fees in addition to those described in ORS 803.420. There is no authority under this section to affect registration periods, qualifications, cards, plates, requirements or any other provision relating to vehicle registration under the vehicle code.

(3) Except as otherwise provided for in this subsection, when registration fees are imposed under this section, they must be imposed on all vehicle classes. Registration fees as provided under this section may not be imposed on the following:

(a) Snowmobiles and Class I all-terrain vehicles.

(b) Fixed load vehicles.

(c) Vehicles registered under ORS 805.100 to disabled veterans.

(d) Vehicles registered as antique vehicles under ORS 805.010.

(e) Vehicles registered as vehicles of special interest under ORS 805.020.

(f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.

(g) School buses or school activity vehicles registered under ORS 805.050.

(h) Law enforcement undercover vehicles registered under ORS 805.060.

(i) Vehicles registered on a proportional basis for interstate operation.

(j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 [(10) or (11)] **(14)(a) or (b)**.

(k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.

(L) Travel trailers, campers and motor homes.

(m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible public employee or household member's residence address is not within the county of the employment address. The department may adopt rules it considers necessary for the administration of this paragraph.

(4) Any registration fee imposed by a county must be a fixed amount not to exceed, with respect to any vehicle class, the registration fee established under ORS 803.420 [(1)] **(6)(a)**. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

(5) Moneys from registration fees established under this section must be paid to the county establishing the registration fees as provided in ORS 802.110. The county ordinance shall provide for payment of at least 40 percent of the moneys to cities within the county unless a different distribution is agreed upon by the county and the cities within the jurisdiction of the county. The moneys for the cities and the county shall be used for any purpose for which moneys from registration fees may be used, including the payment of debt service and costs related to bonds or other obligations issued for such purposes.

(6) Two or more counties may act jointly to impose a registration fee under this section. The ordinance of each county acting jointly with another under this subsection must provide for the distribution of moneys collected through a joint registration fee.

SECTION 39c. ORS 801.042 is amended to read:

801.042. The following apply to the authority granted to a district by ORS 801.040 to establish registration fees for vehicles:

(1) Before the governing body of a district can impose a registration fee under this section, it must submit the proposal to the electors of the district for their approval and, if the proposal is approved, enter into an intergovernmental agreement under ORS 190.010 with the governing bodies of all counties, other districts and cities with populations of over 300,000 that overlap the district. The intergovernmental agreement must state the registration fees and, if necessary, how the revenue from the fees shall be apportioned among counties and the districts. Before the governing body of a county can enter into such an intergovernmental agreement, the county shall consult with the cities in its jurisdiction.

(2) If a district raises revenues from a registration fee for purposes related to highways, roads, streets and roadside rest areas, the governing body of that district shall establish a Regional Arterial Fund and shall deposit in the Regional Arterial Fund all such registration fees.

(3) Interest received on moneys credited to the Regional Arterial Fund shall accrue to and become a part of the Regional Arterial Fund.

(4) The Regional Arterial Fund must be administered by the governing body of the district referred to in subsection (2) of this section and such governing body by ordinance may disburse moneys in the Regional Arterial Fund. Moneys within the Regional Arterial Fund may be disbursed only for a program of projects recommended by a joint policy advisory committee on transportation consisting of local officials and state agency representatives designated by the district referred to in subsection (2) of this section. The projects for which the joint policy advisory committee on transportation can recommend funding must concern arterials, collectors or other improvements designated by the joint policy advisory committee on transportation.

(5) Ordinances establishing registration fees under this section must be filed with the Department of Transportation. The governing body of the district imposing the registration fee shall enter into an intergovernmental agreement under ORS 190.010 with the department by which the department shall collect the registration fees, pay them over to the district and, if necessary, allow the credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date on which the department shall begin collecting registration fees for the district.

(6) The authority granted by this section allows the establishment of registration fees in addition to those described in ORS 803.420. There is no authority under this section to affect registration periods, qualifications, cards, plates, requirements or any other provision relating to vehicle registration under the vehicle code.

(7) Except as otherwise provided for in this subsection, when registration fees are imposed under this section, the fees must be imposed on all vehicle classes. Registration fees as provided under this section may not be imposed on the following:

- (a) Snowmobiles and Class I all-terrain vehicles.
- (b) Fixed load vehicles.
- (c) Vehicles registered under ORS 805.100 to disabled veterans.
- (d) Vehicles registered as antique vehicles under ORS 805.010.
- (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- (g) School buses or school activity vehicles registered under ORS 805.050.
- (h) Law enforcement undercover vehicles registered under ORS 805.060.
- (i) Vehicles registered on a proportional basis for interstate operation.
- (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 [(10) or (11)] **(14)(a) or (b)**.
- (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.
- (L) Travel trailers, campers and motor homes.

(m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible public employee or household member's residence address is not within the county of the employment address. The department may adopt rules it considers necessary for the administration of this paragraph.

(8) Any registration fee imposed by the governing body of a district must be a fixed amount not to exceed, with respect to any vehicle class, the registration fee established under ORS 803.420 [(1)] **(6)(a)**. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

SECTION 39d. ORS 803.350 is amended to read:

803.350. This section establishes the requirements for qualification for registration. The Department of Transportation shall not issue registration to a vehicle if the requirements under this section are not met. The department, in the absence of just cause for refusing to register a vehicle upon application, shall assign a distinctive number or other distinctive means of identification and shall issue registration for a vehicle if all of the following requirements are met:

(1) The applicant applies for and is granted title in the applicant's name at the same time the person makes application for registration, or presents satisfactory evidence that title covering the vehicle has been previously issued to the applicant.

(2) The applicant completes an application described under ORS 803.370. If the vehicle is a reconstructed or assembled vehicle or a replica, the person must indicate that fact in the application or be subject to ORS 803.225.

(3) The applicant pays the department the registration fee established under ORS 803.420 and any applicable fees for issuance of registration plates.

(4) For motor vehicles, proof of compliance with pollution control equipment requirements is provided to the department. Proof required to comply with this subsection is described under ORS 815.310. This subsection does not apply if the vehicle is exempt from the requirements for proof of compliance under ORS 815.300.

(5) The applicant is domiciled in this state, as described in ORS 803.355, if required by ORS 803.360 to be domiciled in the state in order to register a vehicle. If the department has reason to believe that the applicant is not domiciled in this state and is required to be in order to register a vehicle, the department may require the person to submit proof of domicile. The department shall determine by rule what constitutes proof of domicile.

(6) The applicant owns a vehicle that qualifies under ORS 803.360 (2) for registration in this state, if the owner is not domiciled in this state and is not required by ORS 803.200, or any other provision of law, to register the vehicle in this state.

(7) The applicant surrenders all evidence of any former registration or title as required by ORS 803.380.

(8)(a) Beginning with 2009 model year new motor vehicles, the applicant provides proof of compliance with low emission motor vehicle standards adopted pursuant to ORS 468A.360. The department shall determine by rule what constitutes proof of compliance with low emission motor vehicle standards.

(b) The department shall determine by rule which new motor vehicles are exempt from the requirements of this subsection. Any rules adopted pursuant to this paragraph shall be consistent with the Environmental Quality Commission standards adopted pursuant to ORS 468A.360.

(c) For purposes of this subsection, "new motor vehicle" means a motor vehicle with 7,500 miles or less on the odometer when the vehicle is initially registered under ORS 803.420 [(1)] **(6)(a)**, 805.100 or 805.120.

(9) If required to do so by the department, the applicant provides the department with satisfactory proof that the vehicle was designed to be operated on highways and meets equipment requirements imposed by statute or rule for the lawful operation of a vehicle on highways. The department may adopt rules specifying the kinds of vehicles that are subject to this subsection and what constitutes satisfactory proof under this subsection.

SECTION 39e. ORS 803.415 is amended to read:

803.415. This section establishes registration periods for vehicles. The registration periods are periods described under ORS 803.400. Except as provided in the following, the registration period for any vehicle registered in this state by the Department of Transportation is a biennial registration period:

(1) The following vehicles have permanent registration:

(a) Antique vehicles registered under ORS 805.010.

(b) Vehicles of special interest registered under ORS 805.020.

(c) Trailers that will be operated on the highways at a loaded weight of more than 8,000 pounds and are not travel trailers, fixed load vehicles or special use trailers.

(2) Government-owned vehicles registered under ORS 805.040 have ownership registration.

(3) The following vehicles may be registered under annual or quarterly registration unless the vehicles are registered under proportional registration under ORS 826.009 or proportional fleet registration under ORS 826.011:

(a) Vehicles required to establish a registration weight under ORS 803.430.

(b) Commercial buses.

(c) Vehicles registered as farm vehicles under ORS 805.300.

(4) Snowmobiles are registered as provided in ORS 821.080.

(5) Vehicles operated by dealers who hold certificates under ORS 822.020 are as provided under ORS 822.040.

(6) Trailers for hire that will be operated at a loaded weight of 8,000 pounds or less may be registered as follows:

(a) Annual registration; or

(b) If registered under an agreement pursuant to ORS 802.500, for a period of time determined as specified in the agreement or as determined by the department.

(7) Except as otherwise provided in subsection (10) of this section, the registration period for electric vehicles and hybrid vehicles that use electricity and another source of motive power is a biennial registration period except that the registration period for the following electric or hybrid vehicles is an annual registration period:

(a) Commercial buses.

(b) Electric or hybrid vehicles registered as farm vehicles under ORS 805.300.

(c) Vehicles required to establish registration weight under ORS 803.430.

(8) Vehicles registered under ORS 805.100 have an ownership registration period.

(9) School vehicles registered under ORS 805.050 have ownership registration except that the registration shall continue to be valid if ownership of the vehicle is transferred to a person who continues to use the vehicle for purposes authorized by ORS 805.050.

(10) The following vehicles have a four-year registration period:

(a) New vehicles registered under ORS 803.420 [(1)] **(6)(a)** for which new registration plates will be issued;

(b) New mopeds **or motorcycles** registered under ORS 803.420 [(2)] **(6)(c)** for which new registration plates will be issued; **and**

(c) New trailers registered under ORS 803.420 (6)(b), for which new registration plates will be issued.

[(c) New motorcycles registered under ORS 803.420 (3) for which new registration plates will be issued; and]

[(d) New vehicles registered under ORS 803.420 (9)(a) for which new registration plates will be issued.]

(11) A rental or leasing company, as defined in ORS 221.275, may elect an annual, a biennial or a four-year registration period for the initial registration of a new vehicle registered under ORS 803.420 [(1) or (9)(a)] **(6)(a)** for which new registration plates will be issued if the company owns the vehicle that is being registered. The subsequent renewal or reregistration periods for the vehicle are biennial.

SECTION 39f. ORS 803.445 is amended to read:

803.445. (1) The governing body of a county may impose registration fees for vehicles as provided in ORS 801.041.

(2) The governing body of a district may impose registration fees for vehicles as provided in ORS 801.042.

(3) The Department of Transportation shall provide by rule for the administration of laws authorizing county and district registration fees and for the collection of those fees.

(4) Any registration fee imposed under this section shall be imposed in a manner consistent with ORS 803.420.

(5) No county or district may impose a vehicle registration fee that would by itself, or in combination with any other vehicle registration fee imposed under this section, exceed the amount of the fee imposed under ORS 803.420 [(1)] **(6)(a)**. The owner of any vehicle subject to multiple fees under this section shall be allowed a credit or credits with respect to one or more of such fees so that the total of such fees does not exceed the amount of the fee imposed under ORS 803.420 [(1)] **(6)(a)**.

SECTION 39g. ORS 805.047 is amended to read:

805.047. (1) Upon request of any county, the Department of Transportation may issue registration plates or other evidence of registration from any regular series rather than from any specially designed government series for a vehicle owned or operated by the county. The registration period for a vehicle described under this section shall be the same as the regular registration period for the type of vehicle registered. The fee for registration or renewal of registration of a vehicle under this section shall be the fee established under ORS 803.420 [(1) or (9)] **(6)(a)**.

(2) Any vehicle registered under this section and not exempted under ORS 815.300 must meet the requirements for certification of compliance with pollution control under ORS 815.310.

SECTION 39h. ORS 805.103 is amended to read:

805.103. (1) The Department of Transportation shall provide for issuance of registration plates for a motor vehicle registered under ORS 803.420 [(1) or (9)(a)] **(6)(a)**, in a manner consistent with this section, to motor vehicle owners who qualify for the plates as Congressional Medal of Honor recipients under subsection (2) this section.

(2) A person who is a Congressional Medal of Honor recipient qualifies for registration plates under this section if the person provides the department with a certificate from the United States

Department of Veterans Affairs attesting to the person's status as a Congressional Medal of Honor recipient.

(3) Registration plates issued under this section shall be considered customized registration plates for purposes of the fee required in ORS 805.250. The department may waive the fee required in ORS 805.250.

(4) The department may not issue registration plates for a motor vehicle under this section if another motor vehicle owned by the applicant has been issued registration plates under this section.

(5) The registration plates issued under this section shall:

- (a) Be issued with a unique background design determined by the department;
- (b) Be issued with a specific configuration as determined by the department;
- (c) Contain the words "Medal of Honor";
- (d) Contain the image of the Congressional Medal of Honor; and
- (e) Meet the requirements for registration plates under ORS 803.535.

(6) If there is a transfer of interest in the motor vehicle to which the registration plate under this section is assigned, or if the motor vehicle is totaled and not reconstructed, the motor vehicle owner shall remove the registration plate. The Congressional Medal of Honor recipient may retain the registration plate, but the registration plate may not be placed on any other motor vehicle unless the registration plate is transferred as set forth in subsection (7) of this section.

(7) If the motor vehicle owner qualifies for the registration plates under subsection (2) of this section, the department may transfer registration plates issued under this section to another motor vehicle registered under ORS 803.420 [(1) or (9)(a)] **(6)(a)**, as set forth in ORS 805.242.

(8) The department shall cancel any registration plates issued under this section if the department determines that the motor vehicle is owned by a person who does not qualify for the registration plates under subsection (2) of this section or that the motor vehicle is not registered under ORS 803.420 [(1) or (9)(a)] **(6)(a)**.

(9) The department may adopt rules necessary to carry out the provisions of this section.

SECTION 39i. ORS 805.105 is amended to read:

805.105. (1) The Department of Transportation shall establish a veterans' recognition registration plate program to issue registration plates called "veterans' recognition registration plates" upon request to an owner of any motor vehicle registered under ORS 803.420 [(1) or (9)(a)] **(6)(a)** if the owner of the motor vehicle qualifies for the plates. Rules adopted under this section shall include, but need not be limited to, rules that:

(a) Describe general qualifications to be met by any veterans' group in order to be eligible for a veterans' recognition registration plate issued under this section.

(b) Specify circumstances under which the department may cease to issue veterans' recognition registration plates.

(c) Specify what constitutes proof of veteran status for issuance of a veterans' recognition registration plate, if such proof is required by a veterans' group or by the Director of Veterans' Affairs.

(d) Specify what constitutes proof that a person is a surviving family member of a person who was killed in action during an armed conflict while serving in the Armed Forces of the United States. The department may only issue a veteran's recognition registration plate displaying a gold star decal and the words "Gold Star Family" to a person who is a parent, sibling, spouse or dependent of a person who was killed in action during an armed conflict while serving in the Armed Forces of the United States.

(2)(a) In addition to any other fee authorized by law, upon issuance of a veterans' recognition registration plate under this section and upon renewal of registration for a vehicle that has plates issued under this section, the department shall collect a surcharge of \$2.50 per plate for each year of the registration period for the vehicle as described under ORS 803.415.

(b) Except as otherwise provided in paragraph (c) of this subsection, net proceeds of the surcharge collected by the department for the veterans' recognition registration plate shall be deposited in the trust fund established under ORS 406.050 for paying the expenses of operating the Oregon Veterans' Home.

(c) If the department issues a veterans' recognition registration plate that names, describes or represents a veterans' group, that veterans' group may designate an account into which the net proceeds of the surcharge collected by the department under this section are to be deposited. The department shall keep accurate records of the number of plates issued under this paragraph for each veterans' group and, after payment of administrative expenses of the department, shall deposit moneys collected under this subsection into the specified account.

(d) Deposits under this subsection shall be made quarterly.

(3)(a) In consultation with the Department of Transportation, the Director of Veterans' Affairs shall design the veterans' recognition registration plate.

(b) If the department issues a veterans' recognition registration plate to recognize a veterans' group, the department shall, in consultation with the requesting veterans' group, add words or a military-related decal to the veterans' recognition registration plate that names, describes or represents the veterans' group.

(c) The department shall add a gold star decal and the words "Gold Star Family" to a veterans' recognition registration plate background to recognize surviving family members of persons killed in action during an armed conflict while serving in the Armed Forces of the United States.

(d) Except as otherwise required by the design, veterans' recognition registration plates must comply with the requirements of ORS 803.535.

(4) The department shall determine how many sets of veterans' recognition registration plates will be manufactured. If the department does not sell or issue renewal for 500 sets of veterans' recognition registration plates in any one year, the department shall cease production of veterans' recognition registration plates. For the purposes of this section, veterans' recognition registration plates that name, describe or represent a veterans' group are included in the total number of veterans' recognition registration plates issued.

(5) For the purposes of this section, "sibling" includes siblings of the whole or half blood and siblings by adoption, marriage or domestic partnership.

SECTION 39j. ORS 805.115 is amended to read:

805.115. (1) In the absence of just cause for refusal, the Department of Transportation shall provide for registration in a manner consistent with this section for persons who qualify under this section as active members of the Oregon National Guard. The special registration provisions under this section are subject to the following:

(a) The fee to register or renew registration under this section shall be the regular registration fee for the vehicle.

(b) Any motor vehicle registered under ORS 803.420 [(1) and (16)(c) and (d)] **(6)(a) or (7)(c)(C) or (D)** may be registered under this section.

(2) A person is eligible for registration under this section if the person is issued a certificate by the Oregon Military Department certifying that the person is an active member of the Oregon National Guard.

(3) The department may suspend, revoke or refuse to renew any registration issued under this section if the department determines that the vehicle is owned by a person not qualified for registration under this section or that the vehicle is not eligible for registration under this section.

(4) The Oregon Military Department shall notify the Department of Transportation within 30 days if a person issued a certificate described in subsection (2) of this section ceases to be an active member of the Oregon National Guard.

SECTION 39k. ORS 805.205 is amended to read:

805.205. (1) Except as provided in subsection (7) of this section, the Department of Transportation shall provide for issuance of registration plates described in this section for nonprofit groups meeting the qualifications for tax exempt status under section 501(c)(3) of the Internal Revenue Code and for institutions of higher education. Plates issued under this section may be issued to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)**. Plates issued under this section may not contain expressions of political opinion or religious belief. Rules adopted under this section shall include, but need not be limited to, rules that:

(a) Specify circumstances under which the department may cease to issue plates for any particular group.

(b) Require each group for which plates are issued to file an annual statement on a form designed by the department showing that the group is a nonprofit group or is an institution of higher education and that the group or institution otherwise meets the qualifications imposed for eligibility for plates issued under this section. The statement shall include names and addresses of current directors or officers of the group or institution or of other persons authorized to speak for the group or institution on matters affecting plates issued under this section.

(2)(a) Except as otherwise provided in paragraphs (b) and (c) of this subsection, in addition to any other fee authorized by law, upon issuance of a plate under this section and upon renewal of registration for a vehicle that has plates issued under this section, the department shall collect a surcharge for each year of the registration period. The surcharge shall be determined by the department by rule and may not be less than \$2.50 per plate or more than \$16 per plate. In setting the amount of the surcharge, the department shall consult with the nonprofit group for which the plates are issued.

(b) In addition to any other fee authorized by law, upon issuance of a plate under this section that recognizes an institution of higher education in this state, and upon renewal of registration for a vehicle that has such plates, the department shall collect a surcharge of \$8 per plate for each year of the registration period.

(c) In addition to any other fee authorized by law, upon issuance of a Share the Road registration plate the department shall collect a surcharge of \$5 per year of registration.

(3) Plates issued under this section shall be from the current regular issue of plates except that:

(a) If the group requesting the plates is an institution of higher education, the plates shall, upon request, contain words that indicate the plates are issued to recognize the institution or shall contain the institution's logo or an image of the institution's mascot; or

(b) If the group requesting the plates is a group that recognizes fallen public safety officers, the plates shall, upon request, contain a decal that indicates the plates are issued to recognize fallen public safety officers.

(4) Except as otherwise required by the design chosen, the plates shall comply with the requirements of ORS 803.535. The department shall determine how many sets of plates shall be manufactured for each group approved under this section. If the department does not sell or issue renewal for 500 sets of plates for a particular group in any one year, the department shall cease production of those plates.

(5) Except as otherwise provided in subsection (6) of this section, each group that is found by the department to be eligible for plates issued under this section may designate an account into which the net proceeds of the surcharge collected by the department under subsection (2) of this section are to be deposited. The department shall keep accurate records of the number of plates issued for each group that qualifies. After payment of administrative expenses of the department, moneys collected under this section for each group shall be deposited by the department into an account specified by that group. If any group does not specify an account for the moneys collected from the sale of plates issued under this section, the department shall deposit moneys collected for those plates into the Passenger Rail Transportation Account established under ORS 802.100 to be used as other moneys in the account are used. Deposits under this subsection shall be made at least quarterly.

(6)(a) Each institution of higher education that requests a plate under this section shall designate an account in the general fund of the institution, and the proceeds in the account shall be used for the purpose of academic enrichment at the institution.

(b) Net proceeds of the surcharge collected by the department for Share the Road registration plates shall be deposited into two accounts designated by the Bicycle Transportation Alliance and Cycle Oregon. The department shall evenly distribute the net proceeds to each account. Deposits under this paragraph shall be made at least quarterly. At any time that the department determines that the accounts designated by the Bicycle Transportation Alliance and Cycle Oregon cease to

exist, the department may deposit the proceeds into the Passenger Rail Transportation Account established under ORS 802.100.

(c) Net proceeds of the surcharge collected by the department for Keep Kids Safe registration plates shall be deposited into an account designated by the Children's Trust Fund of Oregon Foundation to fund strategies and approaches shown to prevent or reduce child abuse. Deposits made under this paragraph shall be made at least quarterly. At any time that the department determines that the account designated by the Children's Trust Fund of Oregon Foundation ceases to exist, the department shall deposit the proceeds into the Keep Kids Safe Registration Plate Account established in ORS 805.207. At the beginning of each biennium, the Early Learning Council shall evenly distribute the moneys in the Keep Kids Safe Registration Plate Account to the counties in this state, until each county receives \$1,000. After each county has received \$1,000, the council shall distribute any remaining moneys to each county in an amount equal to the percentage of Keep Kids Safe registration plates sold in that county. Each county shall use the moneys received under this paragraph solely for the purpose of funding strategies and approaches shown to prevent or reduce child abuse.

(7) The department may not accept applications to create new group registration plates on or after August 12, 2015.

SECTION 39L. ORS 805.222 is amended to read:

805.222. (1) The Department of Transportation shall establish a special registration program and provide for issuance of special registration plates for nonprofit groups meeting the qualifications for tax exempt status under section 501(c)(3) of the Internal Revenue Code, for institutions of higher education and for public bodies, as defined in ORS 174.109.

(2) Plates issued under this section may be issued to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)**. In addition, the department may adopt rules for issuance of special registration plates issued pursuant to this section for vehicles not registered under ORS 803.420 [(1)] **(6)(a)**.

(3) Plates issued under this section may not contain expressions of political opinion or religious belief.

(4) Rules adopted under this section shall include, but need not be limited to, rules that:

(a) Describe general qualifications to be met by any nonprofit group, institution of higher education or public body in order to be eligible for plates issued under this section.

(b) Specify circumstances under which the department may cease to issue plates under this section.

(c) Require each nonprofit group, institution of higher education or public body for which plates are issued to file an annual statement on a form designed by the department showing that the group is a nonprofit group, institution of higher education or public body and that the nonprofit group, institution of higher education or public body otherwise meets the qualifications imposed for eligibility for plates issued under this section. The statement shall include names and addresses of current directors or officers of the nonprofit group, institution of higher education or public body or of other persons authorized to speak for the nonprofit group, institution of higher education or public body on matters affecting plates issued under this section.

(d) Specify the manner in which a nonprofit group, institution of higher education or public body may apply for a special registration plate.

(5) In addition to any other fee authorized by law, for each set of special registration plates issued pursuant to this section, the department shall collect a surcharge of \$40 payable when the plates are issued and upon each subsequent renewal of registration of a vehicle bearing the plates. The department shall distribute the moneys from the surcharge as provided in subsection (8) of this section.

(6) The department, in consultation with the nonprofit group, institution of higher education or public body requesting the special registration plate, shall develop a unique design for each plate issued under this section. Any design must comply with requirements described under ORS 803.535.

(7) The department shall determine how many sets of plates shall be manufactured for each plate approved under this section. If the department does not issue 2,000 sets of plates for a particular nonprofit group, institution of higher education or public body in any one year, the department shall cease production of those plates.

(8) Each nonprofit group, institution of higher education or public body that is found by the department to be eligible for plates issued under this section may designate an account into which the net proceeds of the surcharge collected by the department under subsection (5) of this section are to be deposited. The department shall keep accurate records of the number of plates issued for each nonprofit group, institution of higher education or public body that qualifies. After payment of administrative expenses of the department, moneys collected under this section for a nonprofit group, institution of higher education or public body shall be deposited by the department into an account specified by that nonprofit group, institution of higher education or public body. If any nonprofit group, institution of higher education or public body does not specify an account for the moneys collected from the sale of plates issued under this section, the department shall deposit moneys collected for those plates into the Passenger Rail Transportation Account established under ORS 802.100 to be used as other moneys in the account are used. Deposits under this subsection shall be made at least quarterly.

SECTION 39m. ORS 805.255 is amended to read:

805.255. (1) The Department of Transportation shall establish a salmon registration plate program to issue special registration plates called “salmon registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)** to observe the importance of salmonid to Oregon. In addition, the department may adopt rules for issuance of salmon registration plates for vehicles not registered under the provisions of ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each salmon registration plate issued under subsection (1) of this section, the department shall collect a surcharge of \$7.50 for each year of the registration period, payable when the plate is issued and upon each subsequent renewal of registration of a vehicle bearing the plate. The department shall distribute the surcharge as provided in ORS 805.256.

SECTION 39n. ORS 805.260 is amended to read:

805.260. (1) The Department of Transportation shall establish a cultural registration plate program to issue special registration plates called “cultural registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)** to observe the importance of culture to Oregon. In addition, the department may adopt rules for issuance of cultural registration plates for vehicles not registered under the provisions of ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each cultural registration plate issued under subsection (1) of this section, the department shall collect a surcharge of \$15 payable when the plate is issued and upon each subsequent renewal of registration of a vehicle bearing the plate. The department shall distribute the surcharge as provided in ORS 805.261.

(3) The department, in consultation with the Trust for Cultural Development Board, shall design the cultural registration plates. The plates shall meet the requirements for registration plates described in ORS 803.535.

SECTION 39o. ORS 805.263 is amended to read:

805.263. (1) The Department of Transportation shall establish a Crater Lake National Park registration plate program to issue special registration plates called “Crater Lake National Park registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)** to commemorate the 100th anniversary of Crater Lake National Park. The department may adopt rules for issuance of Crater Lake National Park registration plates for vehicles that are not registered under the provisions of ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each Crater Lake National Park registration plate issued under subsection (1) of this section, the department shall collect a surcharge of \$10 payable when the plate is issued. The department shall distribute the surcharge as provided in ORS 805.264.

SECTION 39p. ORS 805.266 is amended to read:

805.266. (1) The Department of Transportation shall establish a wine country registration plate program to issue special registration plates called “wine country registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each set of wine country registration plates issued under subsection (1) of this section, the department shall collect a surcharge of \$30 payable when the plates are issued and upon each subsequent renewal of registration of a vehicle bearing the plates. The department shall transfer the moneys from the surcharge as provided in ORS 805.272.

SECTION 39q. ORS 805.278 is amended to read:

805.278. (1) The Department of Transportation shall establish a Portland Trail Blazers registration plate program to issue special registration plates to support charitable initiatives through the Trail Blazers Foundation established by the Portland Trail Blazers. The special registration plates shall be issued upon request to owners of motor vehicles registered under ORS 803.420 [(1)] **(6)(a)**. In addition, the department may adopt rules for issuance of Portland Trail Blazers registration plates for vehicles not registered under ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each set of Portland Trail Blazers registration plates issued under subsection (1) of this section, the department shall collect a surcharge of \$40 payable when the plates are issued and upon each subsequent renewal of registration of a vehicle bearing the plates. The department shall distribute the moneys from the surcharge as provided in ORS 805.279.

(3) Notwithstanding ORS 803.530, Portland Trail Blazers registration plates may be transferred from vehicle to vehicle if the department stops issuing the plates, as long as the plates are not too old, damaged, mutilated or otherwise rendered illegible to be useful for purposes of identification.

(4) The Portland Trail Blazers registration plate must include the name or logo of the Portland Trail Blazers basketball team. The department shall design the plate in consultation with the Portland Trail Blazers. The final design of the plate is subject to approval by the Portland Trail Blazers. The department may enter into agreements necessary for the use of the logo, name, marks or slogans associated with the Portland Trail Blazers or the National Basketball Association.

(5) Except as otherwise required by the design approved by the department, Portland Trail Blazers registration plates must comply with the requirements of ORS 803.535.

SECTION 39r. ORS 805.283 is amended to read:

805.283. (1) The Department of Transportation shall establish a breast cancer awareness registration plate program to issue special registration plates called “breast cancer awareness registration plates” upon request to owners of motor vehicles registered under ORS 803.420 [(1)] **(6)(a)**. In addition, the department may adopt rules for issuance of breast cancer awareness registration plates for vehicles not registered under ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each set of breast cancer awareness registration plates issued under subsection (1) of this section, the department shall collect a surcharge of \$40 payable when the plates are issued and upon each subsequent renewal of registration of a vehicle bearing the plates. The department shall distribute the surcharge as provided in ORS 805.285.

(3) Notwithstanding ORS 803.530, breast cancer awareness registration plates may be transferred from vehicle to vehicle if the department stops issuing the plates, as long as the plates are not too old, damaged, mutilated or otherwise rendered illegible to be useful for purposes of identification.

SECTION 39s. Section 2, chapter 823, Oregon Laws 2009, as amended by section 8, chapter 709, Oregon Laws 2011, section 1, chapter 390, Oregon Laws 2015, and section 18, chapter 806, Oregon Laws 2015, is amended to read:

Sec. 2. (1) The Department of Transportation shall establish a Pacific Wonderland registration plate program to issue special registration plates called “Pacific Wonderland registration plates” upon request to owners of motor vehicles registered under the provisions of ORS 803.420 [(1)]

(6)(a). In addition, the department may adopt rules for issuance of Pacific Wonderland registration plates for vehicles not registered under the provisions of ORS 803.420 [(1)] **(6)(a)**.

(2) In addition to any other fee authorized by law, for each set of Pacific Wonderland registration plates issued under subsection (1) of this section, the department shall collect a surcharge of \$100 payable when the plates are issued. The department shall transfer the moneys from the surcharge as provided in section 3, chapter 823, Oregon Laws 2009.

(3) Notwithstanding ORS 803.530, Pacific Wonderland registration plates may be transferred from vehicle to vehicle if the department stops issuing the plates, as long as the plates are not so old, damaged, mutilated or otherwise rendered illegible as to be not useful for purposes of identification.

(4) The department shall limit the total number of Pacific Wonderland registration plates to 80,000 sets of plates.

SECTION 39t. ORS 822.213 is amended to read:

822.213. (1) In addition to the privileges described under ORS 822.210, the holder of a current, valid towing business certificate issued under ORS 822.205 may use a tow vehicle to transport property for hire other than as described in ORS 822.210 if:

(a) The tow vehicle is used primarily for the purposes described in ORS 822.210 in a manner specified by the department by rule;

(b) The tow vehicle has a combined weight of 26,001 pounds or more;

(c) The holder of the towing business certificate has submitted a declaration of weight under ORS 803.435 and has registered the tow vehicle under ORS 803.420 [(10)] **(14)(a)**; and

(d) The holder of the towing business certificate operates in accordance with the provisions of ORS chapter 825.

(2) A tow vehicle that is used to transport property for hire other than as described in ORS 822.210 is subject to the weight-mile tax imposed under ORS 825.474.

SECTION 40. ORS 319.020 is amended to read:

319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

(a) Not later than the 25th day of each calendar month, render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

(b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] **34** cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

(2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of 11 cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be three cents per gallon.

(3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a credit or deduction on the monthly statement and payment of tax.

(4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or laws of the United States with respect to such tax.

SECTION 41. ORS 319.020, as amended by section 4, chapter 700, Oregon Laws 2015, is amended to read:

319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

(a) Not later than the 25th day of each calendar month, render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

(b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] **34** cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

(2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be one cent per gallon.

(3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a credit or deduction on the monthly statement and payment of tax.

(4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or laws of the United States with respect to such tax.

SECTION 42. ORS 319.530 is amended to read:

319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of [30] **34** cents per gallon on the use of fuel in a motor vehicle.

(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

(5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under subsection (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent biodiesel that is derived from used cooking oil.

(b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:

(A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;

(B) That is not sold in retail operations; or

(C) That is sold in operations involving fleet fueling or bulk sales.

SECTION 43. ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, is amended to read:

319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby is imposed at the rate of [30] **34** cents per gallon on the use of fuel in a motor vehicle.

(2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the same rate as a gallon of other liquid fuel.

SECTION 44. (1) **The amendments to ORS 319.020 by sections 40 and 41 of this 2017 Act apply to motor vehicle fuel sold, used, distributed or withdrawn on or after January 1, 2018.**

(2) **The amendments to ORS 319.530 by sections 42 and 43 of this 2017 Act apply to fuel used in motor vehicles on or after January 1, 2018.**

SECTION 45. Fuel tax increases conditional on Oregon Transportation Commission reports. (1)(a) **For calendar years beginning on or after January 1, 2020, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2019, to the Joint Committee on Transportation established under section 26 of this 2017 Act stating that:**

(A) **The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;**

(B) **The set of uniform standards required under section 11 (1) of this 2017 Act has been developed and the standards are being followed;**

(C) **The reports required from cities and counties under section 11 (2) of this 2017 Act have been submitted and posted by the commission as required under section 11 (3) of this 2017 Act;**

(D) **The Department of Transportation is implementing the registration fees and title fees described in sections 32 and 37 of this 2017 Act; and**

(E) **The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bottleneck Project have been completed.**

(b) **In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:**

(A) **A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;**

(B) **The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2020;**

(C) **The construction and financial status of uncompleted in-progress projects exceeding \$20 million identified in this 2017 Act;**

(D) **The status of the Treasure Valley Intermodal Facility Project and the Value Pricing Set-Up Project;**

(E) **Design, cost analysis and construction option packages for the Interstate 5 Rose Quarter Project for consideration by the Legislative Assembly; and**

(F) **The design, construction, financial status and progress of projects costing more than \$20 million that are identified in this 2017 Act, including, but not limited to, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after the effective date of this 2017 Act.**

(2)(a) **For calendar years beginning on or after January 1, 2022, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under section 26 of this 2017 Act stating that:**

(A) The Continuous Improvement Advisory Committee appointed under section 10 of this 2017 Act has reviewed and reported to the commission on all transportation projects costing \$50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph have been implemented;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under section 11 (1) of this 2017 Act has been developed and are being followed;

(E) The reports required from cities and counties under section 11 (2) of this 2017 Act have been submitted and posted by the commission as required under section 11 (3) of this 2017 Act;

(F) Under section 11 (4) of this 2017 Act, payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under section 11 (2) of this 2017 Act;

(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to this 2017 Act after the operative date of the increase are in compliance with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS 279C.305, or the commission has requested from the bureau confirmation of such compliance; and

(H) The Department of Transportation is implementing the registration fees and title fees described in sections 32 and 37 of this 2017 Act.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also identify in the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2022; and

(C) The construction and financial status of uncompleted in-progress projects exceeding \$50 million identified in this 2017 Act; and

(D) The design, construction, financial status and progress of projects costing more than \$20 million that are identified in this 2017 Act, including, but not limited to, the Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after the effective date of this 2017 Act.

(3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation established under section 26 of this 2017 Act stating that:

(A) The Continuous Improvement Advisory Committee appointed under section 10 of this 2017 Act has reviewed and reported to the commission on all transportation projects costing \$50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph have been implemented;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under section 11 (1) of this 2017 Act has been developed and are being followed;

(E) The reports required from cities and counties under section 11 (2) of this 2017 Act have been submitted and posted by the commission as required under section 11 (3) of this 2017 Act;

(F) Under section 11 (4) of this 2017 Act, payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under section 11 (2) of this 2017 Act; and

(G) To the best knowledge of the commission, all bodies scheduled to receive fuel tax revenue pursuant to this 2017 Act after the operative date of the increase are in compliance with ORS 279C.305 or under review by the Bureau of Labor and Industries for compliance with ORS 279C.305, or the commission has requested from the bureau confirmation of such compliance.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2024; and

(C) The design, construction, financial status and progress of projects costing more than \$20 million that are identified in this 2017 Act, including, but not limited to, the Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after the effective date of this 2017 Act.

NOTE: Sections 46 and 47 were deleted by amendment. Subsequent sections were not renumbered.

(Fees Related to Heavy Trucks)

SECTION 48. ORS 803.645 is amended to read:

803.645. (1) **For the period beginning on January 1, 2018, and ending on December 31, 2019,** fees for trip permits issued under ORS 803.600 are as follows:

[(1)] (a) For a heavy motor vehicle trip permit, \$43.

[(2)] (b) For a heavy trailer trip permit, \$10.

[(3)] (c) For a light vehicle trip permit, [~~\$30~~] **\$32**.

[(4)] (d) For a recreational vehicle trip permit, [~~\$30~~] **\$32**.

[(5)] (e) For a registration weight trip permit, \$5.

[(6)] (f) For a registered vehicle trip permit, \$7.50.

[(7)] (g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.

(2) **For the period beginning on January 1, 2020, and ending on December 31, 2021,** fees for trip permits issued under ORS 803.600 are as follows:

(a) For a heavy motor vehicle trip permit, \$43.

(b) For a heavy trailer trip permit, \$10.

(c) For a light vehicle trip permit, \$33.

(d) For a recreational vehicle trip permit, \$33.

(e) For a registration weight trip permit, \$5.

(f) For a registered vehicle trip permit, \$7.50.

(g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.

(3) For the period beginning on January 1, 2022, and ending on December 31, 2023, fees for trip permits issued under ORS 803.600 are as follows:

- (a) For a heavy motor vehicle trip permit, \$43.**
- (b) For a heavy trailer trip permit, \$10.**
- (c) For a light vehicle trip permit, \$34.**
- (d) For a recreational vehicle trip permit, \$34.**
- (e) For a registration weight trip permit, \$5.**
- (f) For a registered vehicle trip permit, \$7.50.**
- (g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.**

SECTION 49. ORS 803.645, as amended by section 48 of this 2017 Act, is amended to read:
803.645. (1) *[For the period beginning on January 1, 2018, and ending on December 31, 2019,] Fees for trip permits issued under ORS 803.600 are as follows:*

- (1) For a heavy motor vehicle trip permit, \$43.**
- (2) For a heavy trailer trip permit, \$10.**
- (3) For a light vehicle trip permit, \$35.**
- (4) For a recreational vehicle trip permit, \$35.**
- (5) For a registration weight trip permit, \$5.**
- (6) For a registered vehicle trip permit, \$7.50.**
- (7) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.**

[(a) For a heavy motor vehicle trip permit, \$43.]
[(b) For a heavy trailer trip permit, \$10.]
[(c) For a light vehicle trip permit, \$32.]
[(d) For a recreational vehicle trip permit, \$32.]
[(e) For a registration weight trip permit, \$5.]
[(f) For a registered vehicle trip permit, \$7.50.]
[(g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.]

[(2) For the period beginning on January 1, 2020, and ending on December 31, 2021, fees for trip permits issued under ORS 803.600 are as follows:]

[(a) For a heavy motor vehicle trip permit, \$43.]
[(b) For a heavy trailer trip permit, \$10.]
[(c) For a light vehicle trip permit, \$33.]
[(d) For a recreational vehicle trip permit, \$33.]
[(e) For a registration weight trip permit, \$5.]
[(f) For a registered vehicle trip permit, \$7.50.]
[(g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.]

[(3) For the period beginning on January 1, 2022, and ending on December 31, 2023, fees for trip permits issued under ORS 803.600 are as follows:]

[(a) For a heavy motor vehicle trip permit, \$43.]
[(b) For a heavy trailer trip permit, \$10.]
[(c) For a light vehicle trip permit, \$34.]
[(d) For a recreational vehicle trip permit, \$34.]
[(e) For a registration weight trip permit, \$5.]
[(f) For a registered vehicle trip permit, \$7.50.]
[(g) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.]

SECTION 50. The amendments to ORS 803.645 by section 49 of this 2017 Act apply to fees imposed on or after January 1, 2024.

SECTION 51. ORS 818.225 is amended to read:

818.225. (1) As used in this section, “equivalent single-axle load” means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962.

[(1)(a)] (2)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee *[of seven and one-tenths cents]* **computed on the basis of the following rates** per equivalent single-axle load mile traveled[.]:

(A) **For the period beginning on January 1, 2018, and ending on December 31, 2019, eight and five-tenths cents.**

(B) **For the period beginning on January 1, 2020, and ending on December 31, 2021, nine and five-tenths cents.**

(C) **For the period beginning on January 1, 2022, and ending on December 31, 2023, ten and five-tenths cents.** *[As used in this subsection, “equivalent single-axle load” means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962. The Department of Transportation may adopt rules to standardize the determination of equivalent single-axle load computation based on average highway conditions.]*

(b) If the road use assessment fee is not collected at the time of issuance of the permit, the department shall bill the permittee for the amount due. The account shall be considered delinquent if not paid within 60 days of billing.

(c) The miles of travel authorized by a single-trip nondivisible load permit shall be exempt from taxation under ORS chapter 825.

[(2) *The department by rule may establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.*]

(3) The department may adopt rules:

(a) To standardize the determination of equivalent single-axle load computation based on average highway conditions; and

(b) To establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

SECTION 52. ORS 818.225, as amended by section 51 of this 2017 Act, is amended to read:

818.225. (1) As used in this section, “equivalent single-axle load” means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962.

(2)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the permit or who operates a vehicle in a manner that requires the permit is liable for payment of a road use assessment fee **of eleven and eight-tenths cents** *[computed on the basis of the following rates]* per equivalent single-axle load mile traveled[.]:

[(A) *For the period beginning on January 1, 2018, and ending on December 31, 2019, eight and five-tenths cents.*]

[(B) *For the period beginning on January 1, 2020, and ending on December 31, 2021, nine and five-tenths cents.*]

[(C) *For the period beginning on January 1, 2022, and ending on December 31, 2023, ten and five-tenths cents.*]

(b) If the road use assessment fee is not collected at the time of issuance of the permit, the department shall bill the permittee for the amount due. The account shall be considered delinquent if not paid within 60 days of billing.

(c) The miles of travel authorized by a single-trip nondivisible load permit shall be exempt from taxation under ORS chapter 825.

(3) The department may adopt rules:

(a) To standardize the determination of equivalent single-axle load computation based on average highway conditions; and

(b) To establish procedures for payment, collection and enforcement of the fees and assessments established by this chapter.

SECTION 53. The amendments to ORS 818.225 by section 52 of this 2017 Act apply to road use assessment fees imposed on or after January 1, 2024.

SECTION 54. ORS 818.270 is amended to read:

818.270. (1) For the period beginning on January 1, 2018, and ending on December 31, 2019:

[(1)] (a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed *[\$8]* **\$8.50**. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed *[\$5]* **\$5.50**.

[(2)] (b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is *[\$8]* **\$8.50**.

[(3)] (c) The fee for issuance of a dragging permit under ORS 818.240 is *[\$8]* **\$8.50**.

(2) For the period beginning on January 1, 2020, and ending on December 31, 2021:

(a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$9. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$6.

(b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$9.

(c) The fee for issuance of a dragging permit under ORS 818.240 is \$9.

(3) For the period beginning on January 1, 2022, and ending on December 31, 2023:

(a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$9.50. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$6.50.

(b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$9.50.

(c) The fee for issuance of a dragging permit under ORS 818.240 is \$9.50.

(4) The fee for issuance of a permit under ORS 818.260 for the use of bus safety lights is a fee established by rule by the Department of Transportation. Any fee established for purposes of this subsection *[shall]* **may** not exceed the actual costs of issuing the permit.

SECTION 55. ORS 818.270, as amended by section 54 of this 2017 Act, is amended to read:

818.270. [(1) For the period beginning on January 1, 2018, and ending on December 31, 2019:]

[(a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$8.50. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$5.50.]

[(b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$8.50.]

[(c) The fee for issuance of a dragging permit under ORS 818.240 is \$8.50.]

[(2) For the period beginning on January 1, 2020, and ending on December 31, 2021:]

[(a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$9. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$6.]

[(b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$9.]

[(c) The fee for issuance of a dragging permit under ORS 818.240 is \$9.]

[(3) For the period beginning on January 1, 2022, and ending on December 31, 2023:]

[(a) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$9.50. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$6.50.]

[(b) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$9.50.]

[(c) The fee for issuance of a dragging permit under ORS 818.240 is \$9.50.]

(1) The fee for issuance of a variance permit under ORS 818.200 may be any amount determined by a road authority, not to exceed \$10. If the variance permit is issued by a private contractor, the contractor may charge an additional fee not to exceed \$7.

(2) The fee for issuance of a sifting or leaking load permit under ORS 818.230 is \$10.

(3) The fee for issuance of a dragging permit under ORS 818.240 is \$10.

(4) The fee for issuance of a permit under ORS 818.260 for the use of bus safety lights is a fee established by rule by the Department of Transportation. Any fee established for purposes of this subsection may not exceed the actual costs of issuing the permit.

SECTION 56. The amendments to ORS 818.270 by section 55 of this 2017 Act apply to fees imposed on or after January 1, 2024.

SECTION 57. ORS 825.450 is amended to read:

825.450. (1) Except as otherwise permitted under ORS 825.470, the Department of Transportation shall issue a receipt stating the combined weight of each self-propelled or motor-driven vehicle and any train or combination of vehicles to be used *[therewith]* **with the self-propelled or motor-driven vehicle.**

(2) A person may not load any motor vehicle in excess of its combined weight permit rating *[thus]* determined **under subsection (1) of this section** except as variations may necessarily result in passenger loading. *[A fee of \$8]* **The following fee** shall be paid to the department for each weight receipt issued[.]:

(a) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$8.50.

(b) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$9.

(c) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$9.50.

(3) Receipts issued under this section *[shall be]* **are** valid from the first day of any calendar quarter to the last day of the fourth consecutive calendar quarter. Each carrier may select the calendar quarter in which the period will begin except that, if necessary for administrative convenience, the department may require a carrier to adopt a starting date chosen by the department.

(4) All vehicles operating under the carrier's authority shall have the same four-quarter period of receipt validity. The department may allow a carrier to operate with expired receipts for up to one extra quarter if the renewal application has been submitted and the required fees have been paid on or before the last day of the period of validity of the receipt. The extension of time allowed by this subsection shall be granted only if the department determines that the extension is necessary for the administrative convenience of the department.

(5) The department may adopt rules necessary to administer the provisions of this section.

SECTION 58. ORS 825.450, as amended by section 57 of this 2017 Act, is amended to read:

825.450. (1) Except as otherwise permitted under ORS 825.470, the Department of Transportation shall issue a receipt stating the combined weight of each self-propelled or motor-driven vehicle and any train or combination of vehicles to be used with the self-propelled or motor-driven vehicle.

(2) A person may not load any motor vehicle in excess of its combined weight permit rating determined under subsection (1) of this section except as variations may necessarily result in passenger loading. *[The following fee]* **A fee of \$10** shall be paid to the department for each weight receipt issued[.]:

[(a) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$8.50.]

[(b) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$9.]

[(c) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$9.50.]

(3) Receipts issued under this section are valid from the first day of any calendar quarter to the last day of the fourth consecutive calendar quarter. Each carrier may select the calendar quarter in which the period will begin except that, if necessary for administrative convenience, the department may require a carrier to adopt a starting date chosen by the department.

(4) All vehicles operating under the carrier's authority shall have the same four-quarter period of receipt validity. The department may allow a carrier to operate with expired receipts for up to one extra quarter if the renewal application has been submitted and the required fees have been paid on or before the last day of the period of validity of the receipt. The extension of time allowed by this subsection shall be granted only if the department determines that the extension is necessary for the administrative convenience of the department.

(5) The department may adopt rules necessary to administer the provisions of this section.

SECTION 59. The amendments to ORS 825.450 by section 58 of this 2017 Act apply to fees imposed on or after January 1, 2024.

NOTE: Sections 60 to 62 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 63. ORS 825.476 is amended to read:

825.476. (1) For the period beginning on January 1, 2018, and ending on December 31, 2019:

Declared Combined Weight Groups (Pounds)	MILEAGE TAX RATE TABLE "A"	
	Fee Rates	
	Per Mile (Mills)	
26,001 to 28,000	[49.8]	62.3
28,001 to 30,000	[52.8]	66.0
30,001 to 32,000	[55.2]	68.9
32,001 to 34,000	[57.6]	72.1
34,001 to 36,000	[59.9]	74.9
36,001 to 38,000	[63.0]	78.7
38,001 to 40,000	[65.4]	81.7
40,001 to 42,000	[67.7]	84.7
42,001 to 44,000	[70.2]	87.8
44,001 to 46,000	[72.6]	90.7
46,001 to 48,000	[74.9]	93.7
48,001 to 50,000	[77.4]	96.8
50,001 to 52,000	[80.3]	100.4
52,001 to 54,000	[83.3]	104.1
54,001 to 56,000	[86.4]	108.0
56,001 to 58,000	[90.0]	112.5
58,001 to 60,000	[94.1]	117.7
60,001 to 62,000	[99.0]	123.7
62,001 to 64,000	[104.5]	130.6
64,001 to 66,000	[110.4]	138.0
66,001 to 68,000	[118.3]	147.8
68,001 to 70,000	[126.6]	158.3
70,001 to 72,000	[135.0]	168.7
72,001 to 74,000	[142.7]	178.3
74,001 to 76,000	[150.0]	187.5
76,001 to 78,000	[157.2]	196.6
78,001 to 80,000	[163.8]	204.8

Declared Combined Weight Groups (Pounds)	AXLE-WEIGHT MILEAGE TAX RATE TABLE "B"				
	Number of Axles				
	5	6	7	8	9 or more
80,001 to 82,000	[169.2]	154.8	144.7	137.4	129.6]
	211.5	193.4	180.8	171.8	162.0
82,001 to 84,000	[174.7]	157.2	147.0	139.2	131.3]
	218.3	196.6	183.8	174.0	164.2
84,001 to 86,000	[179.9]	160.9	149.4	140.9	133.2]

		224.9	201.1	186.8	176.2	166.5
86,001	to 88,000	[186.0	164.3	151.8	143.4	135.0]
		232.5	205.4	189.7	179.3	168.7
88,001	to 90,000	[193.2	168.6	154.3	145.8	137.4]
		241.5	210.7	192.8	182.2	171.8
90,001	to 92,000	[201.6	173.4	156.5	148.2	139.8]
		252.0	216.8	195.6	185.2	174.8
92,001	to 94,000	[210.7	178.2	159.0	150.5	141.7]
		263.3	222.7	198.7	188.2	177.1
94,001	to 96,000	[220.2	183.6	162.0	153.0	143.9]
		275.3	229.5	202.5	191.3	179.9
96,001	to 98,000	[230.4	190.2	165.6	155.5	146.4]
		288.1	237.8	207.0	194.4	183.0
98,001	to 100,000		[197.3	169.2	158.4	148.8]
			246.7	211.5	198.0	186.0
100,001	to 102,000			[172.8	162.0	151.3]
				216.0	202.5	189.1
102,001	to 104,000			[176.4	165.6	154.3]
				220.5	207.0	192.8
104,001	to 105,500			[181.1	169.2	157.2]
				226.4	211.5	196.6

(2) For the period beginning on January 1, 2020, and ending on December 31, 2021:

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates Per Mile (Mills)
26,001 to 28,000	65.4
28,001 to 30,000	69.3
30,001 to 32,000	72.4
32,001 to 34,000	75.7
34,001 to 36,000	78.6
36,001 to 38,000	82.7
38,001 to 40,000	85.8
40,001 to 42,000	88.9
42,001 to 44,000	92.2
44,001 to 46,000	95.3
46,001 to 48,000	98.4
48,001 to 50,000	101.6
50,001 to 52,000	105.4
52,001 to 54,000	109.3
54,001 to 56,000	113.4
56,001 to 58,000	118.1
58,001 to 60,000	123.5
60,001 to 62,000	129.9
62,001 to 64,000	137.1
64,001 to 66,000	144.9
66,001 to 68,000	155.2
68,001 to 70,000	166.2

70,001 to 72,000	177.1
72,001 to 74,000	187.3
74,001 to 76,000	196.9
76,001 to 78,000	206.4
78,001 to 80,000	215.0

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	222.1	203.1	189.9	180.4	170.1
82,001 to 84,000	229.3	206.4	193.0	182.7	172.4
84,001 to 86,000	236.1	211.1	196.1	185.0	174.8
86,001 to 88,000	244.1	215.7	199.2	188.2	177.1
88,001 to 90,000	253.6	221.3	202.5	191.3	180.4
90,001 to 92,000	264.6	227.6	205.4	194.5	183.5
92,001 to 94,000	276.5	233.8	208.7	197.6	186.0
94,001 to 96,000	289.1	241.0	212.6	200.8	188.9
96,001 to 98,000	302.5	249.7	217.3	204.1	192.2
98,001 to 100,000		259.0	222.1	207.9	195.3
100,001 to 102,000			226.8	212.6	198.5
102,001 to 104,000			231.5	217.3	202.5
104,001 to 105,500			237.8	222.1	206.4

(3) For the period beginning on January 1, 2022, and ending on December 31, 2023:

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates Per Mile (Mills)
	26,001 to 28,000
28,001 to 30,000	76.4
30,001 to 32,000	79.8
32,001 to 34,000	83.4
34,001 to 36,000	86.6
36,001 to 38,000	91.1
38,001 to 40,000	94.5
40,001 to 42,000	98.0
42,001 to 44,000	101.6
44,001 to 46,000	105.0
46,001 to 48,000	108.4
48,001 to 50,000	112.0
50,001 to 52,000	116.1
52,001 to 54,000	120.5
54,001 to 56,000	125.0
56,001 to 58,000	130.2
58,001 to 60,000	136.1
60,001 to 62,000	143.2

62,001 to 64,000	151.1
64,001 to 66,000	159.7
66,001 to 68,000	171.1
68,001 to 70,000	183.1
70,001 to 72,000	195.2
72,001 to 74,000	206.4
74,001 to 76,000	217.0
76,001 to 78,000	227.4
78,001 to 80,000	237.0

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	244.7	223.8	209.2	198.8	187.5
82,001 to 84,000	252.6	227.4	212.7	201.3	190.0
84,001 to 86,000	260.2	232.7	216.1	203.8	192.7
86,001 to 88,000	269.0	237.7	219.5	207.4	195.2
88,001 to 90,000	279.5	243.8	223.1	210.9	198.8
90,001 to 92,000	291.5	250.8	226.4	214.3	202.2
92,001 to 94,000	304.7	257.7	230.0	217.7	204.9
94,001 to 96,000	318.6	265.6	234.3	221.3	208.2
96,001 to 98,000	333.3	275.2	239.5	224.9	211.8
98,001 to 100,000		285.4	244.7	229.1	215.2
100,001 to 102,000			249.9	234.3	218.8
102,001 to 104,000			255.2	239.5	223.1
104,001 to 105,500			262.0	244.7	227.4

SECTION 64. ORS 825.476, as amended by section 63 of this 2017 Act, is amended to read:
825.476. [(1) For the period beginning on January 1, 2018, and ending on December 31, 2019:]

[_____]

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates
	Per Mile (Mills)
26,001 to 28,000	62.3
28,001 to 30,000	66.0
30,001 to 32,000	68.9
32,001 to 34,000	72.1
34,001 to 36,000	74.9
36,001 to 38,000	78.7
38,001 to 40,000	81.7
40,001 to 42,000	84.7
42,001 to 44,000	87.8
44,001 to 46,000	90.7
46,001 to 48,000	93.7
48,001 to 50,000	96.8
50,001 to 52,000	100.4

52,001 to 54,000	104.1
54,001 to 56,000	108.0
56,001 to 58,000	112.5
58,001 to 60,000	117.7
60,001 to 62,000	123.7
62,001 to 64,000	130.6
64,001 to 66,000	138.0
66,001 to 68,000	147.8
68,001 to 70,000	158.3
70,001 to 72,000	168.7
72,001 to 74,000	178.3
74,001 to 76,000	187.5
76,001 to 78,000	196.6
78,001 to 80,000	204.8

[_____]

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	211.5	193.4	180.8	171.8	162.0
82,001 to 84,000	218.3	196.6	183.8	174.0	164.2
84,001 to 86,000	224.9	201.1	186.8	176.2	166.5
86,001 to 88,000	232.5	205.4	189.7	179.3	168.7
88,001 to 90,000	241.5	210.7	192.8	182.2	171.8
90,001 to 92,000	252.0	216.8	195.6	185.2	174.8
92,001 to 94,000	263.3	222.7	198.7	188.2	177.1
94,001 to 96,000	275.3	229.5	202.5	191.3	179.9
96,001 to 98,000	288.1	237.8	207.0	194.4	183.0
98,001 to 100,000		246.7	211.5	198.0	186.0
100,001 to 102,000			216.0	202.5	189.1
102,001 to 104,000			220.5	207.0	192.8
104,001 to 105,500			226.4	211.5	196.6

[_____]

[(2) For the period beginning on January 1, 2020, and ending on December 31, 2021:]]

[_____]

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates
	Per Mile (Mills)
26,001 to 28,000	65.4
28,001 to 30,000	69.3
30,001 to 32,000	72.4
32,001 to 34,000	75.7
34,001 to 36,000	78.6
36,001 to 38,000	82.7
38,001 to 40,000	85.8
40,001 to 42,000	88.9
42,001 to 44,000	92.2

44,001 to 46,000	95.3
46,001 to 48,000	98.4
48,001 to 50,000	101.6
50,001 to 52,000	105.4
52,001 to 54,000	109.3
54,001 to 56,000	113.4
56,001 to 58,000	118.1
58,001 to 60,000	123.5
60,001 to 62,000	129.9
62,001 to 64,000	137.1
64,001 to 66,000	144.9
66,001 to 68,000	155.2
68,001 to 70,000	166.2
70,001 to 72,000	177.1
72,001 to 74,000	187.3
74,001 to 76,000	196.9
76,001 to 78,000	206.4
78,001 to 80,000	215.0

[_____]

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	222.1	203.1	189.9	180.4	170.1
82,001 to 84,000	229.3	206.4	193.0	182.7	172.4
84,001 to 86,000	236.1	211.1	196.1	185.0	174.8
86,001 to 88,000	244.1	215.7	199.2	188.2	177.1
88,001 to 90,000	253.6	221.3	202.5	191.3	180.4
90,001 to 92,000	264.6	227.6	205.4	194.5	183.5
92,001 to 94,000	276.5	233.8	208.7	197.6	186.0
94,001 to 96,000	289.1	241.0	212.6	200.8	188.9
96,001 to 98,000	302.5	249.7	217.3	204.1	192.2
98,001 to 100,000		259.0	222.1	207.9	195.3
100,001 to 102,000			226.8	212.6	198.5
102,001 to 104,000			231.5	217.3	202.5
104,001 to 105,500			237.8	222.1	206.4

[_____]

[(3) For the period beginning on January 1, 2022, and ending on December 31, 2023:]

[_____]

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates
	Per Mile (Mills)
26,001 to 28,000	72.0
28,001 to 30,000	76.4
30,001 to 32,000	79.8
32,001 to 34,000	83.4
34,001 to 36,000	86.6

36,001 to 38,000	91.1
38,001 to 40,000	94.5
40,001 to 42,000	98.0
42,001 to 44,000	101.6
44,001 to 46,000	105.0
46,001 to 48,000	108.4
48,001 to 50,000	112.0
50,001 to 52,000	116.1
52,001 to 54,000	120.5
54,001 to 56,000	125.0
56,001 to 58,000	130.2
58,001 to 60,000	136.1
60,001 to 62,000	143.2
62,001 to 64,000	151.1
64,001 to 66,000	159.7
66,001 to 68,000	171.1
68,001 to 70,000	183.1
70,001 to 72,000	195.2
72,001 to 74,000	206.4
74,001 to 76,000	217.0
76,001 to 78,000	227.4
78,001 to 80,000	237.0

[_____]

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	244.7	223.8	209.2	198.8	187.5
82,001 to 84,000	252.6	227.4	212.7	201.3	190.0
84,001 to 86,000	260.2	232.7	216.1	203.8	192.7
86,001 to 88,000	269.0	237.7	219.5	207.4	195.2
88,001 to 90,000	279.5	243.8	223.1	210.9	198.8
90,001 to 92,000	291.5	250.8	226.4	214.3	202.2
92,001 to 94,000	304.7	257.7	230.0	217.7	204.9
94,001 to 96,000	318.6	265.6	234.3	221.3	208.2
96,001 to 98,000	333.3	275.2	239.5	224.9	211.8
98,001 to 100,000		285.4	244.7	229.1	215.2
100,001 to 102,000			249.9	234.3	218.8
102,001 to 104,000			255.2	239.5	223.1
104,001 to 105,500			262.0	244.7	227.4

[_____]

MILEAGE TAX RATE TABLE "A"

Declared Combined Weight Groups (Pounds)	Fee Rates Per Mile (Mills)
26,001 to 28,000	76.4
28,001 to 30,000	80.9

30,001 to 32,000	84.6
32,001 to 34,000	88.4
34,001 to 36,000	91.8
36,001 to 38,000	96.6
38,001 to 40,000	100.2
40,001 to 42,000	103.8
42,001 to 44,000	107.7
44,001 to 46,000	111.3
46,001 to 48,000	114.9
48,001 to 50,000	118.7
50,001 to 52,000	123.1
52,001 to 54,000	127.7
54,001 to 56,000	132.5
56,001 to 58,000	138.0
58,001 to 60,000	144.3
60,001 to 62,000	151.7
62,001 to 64,000	160.1
64,001 to 66,000	169.3
66,001 to 68,000	181.3
68,001 to 70,000	194.1
70,001 to 72,000	206.9
72,001 to 74,000	218.7
74,001 to 76,000	230.0
76,001 to 78,000	241.1
78,001 to 80,000	251.2

**AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"**

Declared Combined Weight Groups (Pounds)	Number of Axles				
	5	6	7 (Mills)	8	9 or more
80,001 to 82,000	259.4	237.3	221.8	210.7	198.7
82,001 to 84,000	267.8	241.1	225.4	213.4	201.4
84,001 to 86,000	275.8	246.6	229.1	216.1	204.2
86,001 to 88,000	285.2	252.0	232.7	219.9	206.9
88,001 to 90,000	296.2	258.4	236.5	223.5	210.7
90,001 to 92,000	309.0	265.9	239.9	227.1	214.4
92,001 to 94,000	323.0	273.1	243.8	230.8	217.2
94,001 to 96,000	337.7	281.5	248.3	234.6	220.7
96,001 to 98,000	353.3	291.7	253.9	238.4	224.5
98,001 to 100,000		302.5	259.4	242.8	228.1
100,001 to 102,000			264.9	248.3	231.9
102,001 to 104,000			270.5	253.9	236.5
104,001 to 105,500			277.7	259.4	241.1

SECTION 65. The amendments to ORS 825.476 by section 64 of this 2017 Act apply to taxes imposed on or after January 1, 2024.

SECTION 66. ORS 825.480 is amended to read:

825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such

operation computed at the **following** rate [*of seven dollars and fifty-nine cents*] for each 100 pounds of declared combined weight[.]:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$10.20.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$11.30.

(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month [*on*] **during which** a motor vehicle [*which*] is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the **following** rate [*of six dollars and twenty-three cents*] for each 100 pounds of declared combined weight[.]:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$7.50.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$8.30.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$9.30.

(b) The annual fees provided in this subsection shall be paid in advance but may be paid on a monthly basis on or before the first day of the month. A carrier may be relieved from the fees due for any month during which the motor vehicle is not operated for hire if a statement to that effect is filed with the Department of Transportation on or before the fifth day of the first month for which relief is sought.

(4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products, whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such operation computed at the **following** rate [*of seven dollars and fifty-three cents*] for each 100 pounds of declared combined weight[.]:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$10.20.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$11.30.

(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt for taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the **following** rate [*of thirty dollars and sixty-five cents*] for each 100 pounds of declared combined weight[.]:

(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$36.80.

(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$41.00.

(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$45.50.

(b) Any carrier electing to pay under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movement of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, service or moving from one exempt highway operation to another.

SECTION 67. ORS 825.480, as amended by section 66 of this 2017 Act, is amended to read:

825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such operation computed at the [following] rate **of \$12.60** for each 100 pounds of declared combined weight.[:]

[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.]

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$10.20.]

[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$11.30.]

(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month during which a motor vehicle is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the [following] rate **of \$10.30** for each 100 pounds of declared combined weight.[:]

[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$7.50.]

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$8.30.]

[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$9.30.]

(b) The annual fees provided in this subsection shall be paid in advance but may be paid on a monthly basis on or before the first day of the month. A carrier may be relieved from the fees due for any month during which the motor vehicle is not operated for hire if a statement to that effect is filed with the Department of Transportation on or before the fifth day of the first month for which relief is sought.

(4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products, whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such operation computed at the [following] rate **of \$12.60** for each 100 pounds of declared combined weight.[:]

[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$9.10.]

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$10.20.]

[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$11.30.]

(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt for taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the [following] rate **of \$50.80** for each 100 pounds of declared combined weight.[:]

[(A) For the period beginning on January 1, 2018, and ending on December 31, 2019, \$36.80.]

[(B) For the period beginning on January 1, 2020, and ending on December 31, 2021, \$41.00.]

[(C) For the period beginning on January 1, 2022, and ending on December 31, 2023, \$45.50.]

(b) Any carrier electing to pay under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movement of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, service or moving from one exempt highway operation to another.

SECTION 68. The amendments to ORS 825.480 by section 67 of this 2017 Act apply to fees imposed on or after January 1, 2024.

NOTE: Section 69 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 70. ORS 826.023 is amended to read:

826.023. (1) The fee for issuance of a duplicate or replacement registration card is [~~\$2.50~~] **\$3**.

(2) The fee for issuance of each original, replacement or duplicate registration plate is [~~\$2.50~~] **\$3** and includes a registration card and sticker.

(3) The fee for renewal of a registration plate is [~~\$2.50~~] **\$3** and includes a registration card and sticker.

(4) The fee for issuance of replacement registration stickers is [~~\$2.50~~] **\$3**.

(5) If a second plate is required for one vehicle, the fee for the plate or for a sticker for the plate is [~~\$2.50~~] **\$3**.

SECTION 71. The amendments to ORS 826.023 by section 70 of this 2017 Act apply to fees imposed on or after January 1, 2020.

(Tax and Fee Distribution and Projects)

SECTION 71a. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by section 45 of this 2017 Act and the amendments to ORS 319.020 and 319.530 by sections 40 to 43 of this 2017 Act.

(b) The amount attributable to the vehicle registration and title fees imposed under sections 32, 33, 37 and 38 of this 2017 Act.

(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:

(a) For calendar years beginning on or after January 1, 2022, \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid.

(b) \$10 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under section 123 of this 2017 Act. The remainder of the moneys shall be distributed as described in subsection (3) of this section.

(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties for distribution as provided in ORS 366.762.

(c) 20 percent to cities for distribution as provided in ORS 366.800.

(4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

(B) Thirty percent for seismic improvements related to highways and bridges.

(C) Twenty-four percent for state highway pavement preservation and culverts.

(D) Six percent for state highway maintenance and safety improvements.

SECTION 71b. Section 71a of this 2017 Act is amended to read:

Sec. 71a. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by section 45 of this 2017 Act and the amendments to ORS 319.020 and 319.530 by sections 40 to 43 of this 2017 Act.

(b) The amount attributable to the vehicle registration and title fees imposed under sections 32, 33, 37 and 38 of this 2017 Act.

(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:

(a) [For calendar years beginning on or after January 1, 2022,] \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid.

(b) [\$10] \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under section 123 of this 2017 Act. The remainder of the moneys shall be distributed as described in subsection (3) of this section.

(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties for distribution as provided in ORS 366.762.

(c) 20 percent to cities for distribution as provided in ORS 366.800.

(4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

(B) Thirty percent for seismic improvements related to highways and bridges.

(C) Twenty-four percent for state highway pavement preservation and culverts.

(D) Six percent for state highway maintenance and safety improvements.

SECTION 71c. The amendments to section 71a of this 2017 Act by section 71b of this 2017 Act become operative on January 1, 2023.

SECTION 71d. (1) The Oregon Transportation Commission shall use the proceeds of bonds, as defined in ORS 367.010, authorized under ORS 367.620 (3)(d) to finance the transportation projects listed in this section. The commission shall determine the order of completion for the projects listed in subsection (2) of this section.

(2) No later than January 1, 2024, the commission shall allocate the following amounts to each region, as described in ORS 366.805, for the projects listed below, provided that the commission determines that the projects could constitutionally be funded by revenues described in Article IX, section 3a, of the Oregon Constitution:

(a) Region one:	\$	249,700,000
(A) State Highway 211 improvements beginning where the highway intersects with State Highway 213 and ending where the highway intersects Molalla Avenue in the City of Molalla		

- (B) **WaNaPa Street improvements in the City of Cascade Locks**
- (C) **Port of Hood River bridge replacement environmental impact study**
- (D) **Columbia Boulevard pedestrian safety**
- (E) **Southeast Powell Boulevard jurisdiction transfer as described under section 134 of this 2017 Act**
- (F) **Interstate 205 active traffic management project**
- (G) **Interstate 205 corridor bottleneck project**
- (H) **State Highway 217 Northbound project**
- (I) **State Highway 217 Southbound project**
- (J) **Improvements to Graham Road where it intersects with Interstate 84 in the City of Troutdale**
- (b) **Region 2:..... \$ 201,950,000**
- (A) **Oregon Manufacturing Innovation Center Access Roads in Columbia County**
- (B) **Interstate 5 at the Aurora-Donald interchange, Phase I**
- (C) **State Highway 99E in the City of Halsey**
- (D) **State Highway 214 pedestrian safety improvements at the intersection with Jefferson Street in the City of Silverton**
- (E) **Territorial Highway jurisdiction transfer as described under section 134 of this this 2017 Act**
- (F) **U.S. Highway 20 safety upgrades from the City of Albany to the City of Corvallis**
- (G) **State Highway 58, adding passing lanes west of the**

- City of Oakridge
- (H) State Highway 22 and Center Street Bridge, seismic retrofit in the City of Salem
 - (I) State Highway 99 in City of Eugene jurisdiction transfer as described under section 134 of this 2017 Act
 - (J) State Highway 126 Florence-Eugene Highway for environmental impact study
 - (K) 42nd Street in the City of Springfield
 - (L) Newberg and Dundee Bypass, State Highway 99W, Phase II, design only
 - (c) Region 3: \$ 75 million
 - (A) Scottsburg Bridge on State Highway 38 in Douglas County
 - (B) Southern Oregon seismic triage transportation project
 - (d) Region 4: \$ 76,493,000
 - (A) U.S. Highway 97 Cooley Road mid-term improvements
 - (B) U.S. Highway 97 at Terrabonne
 - (C) Improvements to Alder Creek Road in Wheeler County
 - (D) Pedestrian safety improvements in the City of Dufur
 - (E) Pedestrian safety improvements in the City of Prineville
 - (F) Tom McCall Road roundabout
 - (G) Pedestrian safety improvements in the City of Arlington
 - (e) Region 5: \$ 43,647,000
 - (A) Port of Umatilla Road
 - (B) Hermiston North First Place Project in the City of Hermiston

- (C) State Highway 30 and Hughes Lane intersection in Baker County
- (D) Eastern Oregon Trade and Event Center access road
- (E) Pedestrian safety improvements in the City of Heppner
- (F) Pedestrian safety improvements in the City of Milton-Freewater
- (G) Columbia Development Authority Access Road
- (H) Pedestrian safety improvements in the City of Burns
- (I) Pedestrian safety improvements in the City of Irrigon
- (J) U.S. Highway 20 freight mobility enhancements
- (K) Cedar Street and Hughes Lane enhancements in Baker County

(3)(a) When the commission determines that a project described in this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to another project described in the same region.

(b) When the commission determines that all of the projects within a region are completed, the commission shall reallocate any amount remaining from the allocation made under this section to any other project listed in this section.

(4) The amounts described in this section for jurisdiction transfers described in section 134 of this 2017 Act may not be allocated until after the transfer for which the allocation is dedicated occurs.

NOTE: Section 71e was deleted by amendment. Subsequent sections were not renumbered.

SECTION 71f. Multimodal projects. (1) Notwithstanding ORS 367.080 to 367.086 and subject to subsection (3) of this section and the availability of funds, the Department of Transportation shall first distribute the moneys in the Connect Oregon Fund, other than moneys dedicated for purposes described in Article XV, section 4a, of the Oregon Constitution, for the projects listed in subsection (2) of this section.

(2) The department shall distribute the following amounts for the projects listed below:

- (a) Mid-Willamette Valley Intermodal Facility \$ 25 million
- (b) Treasure Valley Intermodal Facility \$ 26 million
- (c) Rail expansion in East Beach Industrial Park at the Port of Morrow \$ 6.55 million

(d) **Extend Brooks rail siding..... \$ 2.6 million**

(3) No later than January 1, 2020, to receive a distribution under this section, a potential recipient of moneys shall prepare and submit a plan to the Oregon Transportation Commission. At a minimum, the plan submitted must certify when and how the potential recipient plans to spend the moneys for the project with no more than five percent of the allocated funds to be available to recipients for development of the plan. The commission shall promptly review any submitted plans and if the commission approves the plan, the Department of Transportation shall distribute the moneys after adopting an agreement with the recipient. The agreement shall follow rules adopted by the commission for projects that receive grants from the Connect Oregon Fund.

(4) After the distributions, if any, are made under this section, the remainder of the moneys in the Connect Oregon Fund shall be distributed as described in ORS 367.080 to 367.086.

NOTE: Section 71g was deleted by amendment. Subsequent sections were not renumbered.

SECTION 71h. (1) Notwithstanding section 71a (4) of this 2017 Act, the Department of Transportation may use amounts available under section 71a of this 2017 Act to pay debt service for the purposes described in 367.620 (3)(d).

(2) Any amounts remaining after the payment of debt service shall be used as described in section 71a (4) of this 2017 Act.

SECTION 71i. ORS 367.620 is amended to read:

367.620. (1) The principal amount of Highway User Tax Bonds issued under ORS 367.615 shall be subject to the provisions of ORS 286A.035.

(2) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described in ORS 367.622 in an aggregate principal amount sufficient to produce net proceeds of not more than \$500 million.

(3)(a) Highway User Tax Bonds may be issued under ORS 367.615 for bridge purposes described in section 10 (1), chapter 618, Oregon Laws 2003, in an aggregate principal amount sufficient to produce net proceeds of not more than \$1.6 billion.

(b) Highway User Tax Bonds may be issued under ORS 367.615 for modernization purposes described in sections 10 (2) and 11, chapter 618, Oregon Laws 2003, in an aggregate principal amount sufficient to produce net proceeds of not more than \$300 million.

(c) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described section 64, chapter 865, Oregon Laws 2009, in an aggregate principal amount sufficient to produce net proceeds of not more than \$840 million. The proceeds from bonds issued as described in this paragraph that are not required for the purposes described in section 64, chapter 865, Oregon Laws 2009, shall be allocated to transportation projects, as defined in ORS 367.010, that are approved by the Legislative Assembly by law.

(d) Highway User Tax Bonds may be issued under ORS 367.615 for purposes described in section 71d of this 2017 Act in an aggregate principal amount sufficient to produce net proceeds of not more than \$480 million.

[(d)] (e) The Department of Transportation, with the approval of the State Treasurer, may designate the extent to which a series of bonds authorized under this subsection is secured and payable on a parity of lien or on a subordinate basis to existing or future Highway User Tax Bonds.

SECTION 71j. The amendments to ORS 367.620 by section 71i of this 2017 Act do not impair the interest of the holders of Highway User Tax Bonds that are outstanding on the effective date of this 2017 Act or any obligations of the agreements of the Department of Transportation under its Amended and Restated Master Highway User Tax Revenue Bond Declaration dated June 1, 2006, as amended and supplemented.

SECTION 71k. Sections 71h and 71j of this 2017 Act and the amendments to ORS 367.620 by section 71i of this 2017 Act become operative on January 1, 2020.

SECTION 71L. Section 18, chapter 30, Oregon Laws 2010, is amended to read:

Sec. 18. (1) The Department of Transportation shall report quarterly to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include an estimate of the amounts received in the previous quarter from the increased taxes and fees established in chapter 865, Oregon Laws 2009, and an estimate of the projected revenue in the current quarter from the increased taxes and fees established in chapter 865, Oregon Laws 2009.

(2) In addition to the report described in subsection (1) of this section, the Department of Transportation shall report quarterly to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include:

(a) An estimate of the amounts received in the previous quarter from the increased taxes and fees established in sections 32, 33, 37, 38 and 45 of this 2017 Act and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act, and an estimate of the projected revenue in the current quarter from the increased taxes and fees established in sections 32, 33, 37, 38 and 45 of this 2017 Act and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act.

(b) An estimate of the amounts received in the previous biennium to date from the increased taxes and fees established in sections 32, 33, 37, 38 and 45 of this 2017 Act and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act, and an estimate of the projected revenue in the remaining current biennium from the increased taxes and fees established in sections 32, 33, 37, 38 and 45 of this 2017 Act and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act.

(c) Information about the expenditures and distributions made under section 71a of this 2017 Act, including but not limited to:

(A) Information about the department's total funds as well as the funds raised separately by the increased taxes and fees established in sections 32, 33, 37, 38 and 45 of this 2017 Act and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 55, 57, 58, 63, 64, 66, 67 and 70 of this 2017 Act and expended as described in section 71a (3)(c) of this 2017 Act.

(B) Quarterly amounts that include all the actual and forecasted expenditures and distributions made under section 71a of this 2017 Act for each quarter of the current biennium and the forecasted expenditures and distributions for the following biennium.

(Small Cities and Counties)

SECTION 72. ORS 366.805 is amended to read:

366.805. (1) Except as provided in subsection (2) of this section, the appropriation specified in ORS 366.800 shall be allocated to the cities as provided in this subsection. The moneys subject to allocation under this subsection shall be distributed by the Department of Transportation according to the following:

(a) The moneys shall be distributed to all the cities.

(b) Each city shall receive such share of the moneys as its population bears to the total population of the cities.

(2) Each year, the sum of [~~\$500,000~~] **\$2,500,000** shall be withdrawn from the appropriation specified in ORS 366.800 and [~~\$500,000~~] **\$2,500,000** shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. [*and set up in*] **The sums withdrawn shall be transferred to a separate account to be administered by the Department of Transportation.** The following apply to the account described in this subsection:

- (a) Money from the account shall [*only*] be used **only** upon streets:
 - (A) That are not a part of the state highway system;
 - (B) That are within cities with populations of 5,000 or fewer persons; and
 - (C) That are inadequate for the capacity [*they*] **the streets** serve or are in a condition detrimental to safety.

- (b) All moneys in the account shall be allotted each year.
- (c) Subject to paragraph (d) of this subsection, the department shall determine the distribution of the expenditures after considering applications [*made to it therefor*] from the cities **submitted to the department.**

(d) The department may enter into agreements with cities upon the advice and counsel of organizations representing cities to establish:

- (A) The method of allotting moneys from the account; or
- (B) The method of considering applications from cities and determining distribution based on the applications.

(3) The Director of Transportation shall establish a small city advisory committee. The advisory committee shall review applications submitted by small cities and shall recommend applications for approval to the director. In consultation with the League of Oregon Cities, the director shall appoint to the advisory committee one representative of a small city in each of the five regions of this state.

- (4) **For purposes of this section:**
 - (a) **Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.**
 - (b) **Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties.**
 - (c) **Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties.**
 - (d) **Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties.**
 - (e) **Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.**

SECTION 73. ORS 366.772 is amended to read:

366.772. (1) Not later than July 31 in each calendar year, the sum of [~~\$500,000~~] **\$5,500,000** shall be withdrawn from the appropriation specified in ORS 366.762[,] and the sum of \$250,000 shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be [*set up in*] **transferred to a separate account to be administered by the Department of Transportation.**

(2) Not later than July 31 in each calendar year, the sum of [~~\$750,000~~] **\$5,750,000** shall be withdrawn from the separate account described in subsection (1) of this section and distributed to counties [*that had a county road base funding deficit in the prior fiscal year. A county's share of the \$750,000 shall be based on the ratio of the amount of the county's road base funding deficit to the total amount of county road base funding deficits of all counties.*] **as follows:**

(a) An amount of \$750,000 shall be distributed to the following counties in the following amounts:

(A) Harney County.....	\$	271,909
(B) Malheur County	\$	187,947
(C) Morrow County.....	\$	108,073
(D) Gilliam County.....	\$	94,036
(E) Sherman County	\$	79,700
(F) Wheeler County	\$	8,335

(b) An amount of \$5,000,000 shall be distributed proportionally to counties with fewer than 200,000 registered vehicles based on a ratio of registered vehicles to road miles maintained by each county.

(3) Moneys allocated as provided in this section may be used only for maintenance, repair and improvement of existing roads **that are[.]**:

(a) Not a part of the state highway system;

(b) Within counties with fewer than 200,000 registered vehicles; and

(c) Inadequate for the capacity the roads serve or are in a condition detrimental to safety.

(4) All moneys in the account shall be allotted each year.

[*(4) As used in this section:*]

[*(a) "Arterial highway" has the meaning given that term in ORS 801.127.*]

[*(b) "Collector highway" has the meaning given that term in ORS 801.197.*]

[*(c) "County road base funding deficit" means the amount of a county's minimum county road base funding minus the amount of that county's dedicated county road funding. A county has a county road base funding deficit only if the amount of the dedicated county road funding is less than the amount of the minimum county road base funding.*]

[*(d) "Dedicated county road funding" for a county means:*]

[*(A) Moneys received from federal forest reserves and apportioned to the county road fund in accordance with ORS 294.060;*]

[*(B) State Highway Fund moneys distributed to the county, other than moneys distributed under this section and not including moneys allocated under section 15, chapter 911, Oregon Laws 2007; and*]

[*(C) Federal Highway Administration revenues allocated by formula to the county annually under the federal-aid highway program authorized by 23 U.S.C. chapter 1. These moneys do not include federal funds received by the county through a competitive grant process.*]

[*(e) "Minimum county road base funding" means \$4,500 per mile of county roads that are arterial and collector highways beginning on July 1, 2008, and thereafter means \$4,500 per mile of county roads that are arterial and collector highways as adjusted annually on the basis of the Portland-Salem, OR-WA, Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the United States Department of Labor.*]

SECTION 74. ORS 366.155 is amended to read:

366.155. (1) The Department of Transportation shall, among other things:

(a) So far as practicable, compile statistics relative to the public highways of the state and collect all information in regard thereto which the Director of Transportation may deem important or of value in connection with highway location, construction, maintenance, improvement or operation.

(b) Keep on file in the office of the department copies of all plans, specifications and estimates prepared by the department.

(c) Make all necessary surveys for the location or relocation of highways and cause to be made and kept in the department a general highway plan of the state.

(d) Collect and compile information and statistics relative to the mileage, character and condition of highways and bridges in the different counties in the state, both with respect to state and county highways.

(e) Investigate and determine the methods of road construction best adapted in the various counties or sections of the state, giving due regard to the topography, natural character and availability of road-building materials and the cost of building and maintaining roads under this Act.

(f) Prepare surveys, plans, specifications and estimates for the construction, reconstruction, improvement, maintenance and repair of any bridge, street, road and highway. In advertising for bids on any such project the director shall invite bids in conformity with such plans and specifications.

(g) Keep an accurate and detailed account of all moneys expended in the location, survey, construction, reconstruction, improvement, maintenance or operation of highways, roads and streets,

including costs for rights of way, under this Act, and keep a record of the number of miles so located, constructed, maintained or operated in each county, the date of construction, the width of such highways and the cost per mile for the construction and maintenance of the highways.

(h) Upon request of a county governing body, assist the county on matters relating to road location, construction or maintenance. Plans and specifications for bridges or culverts that are provided under this paragraph shall be provided without cost to the 10 counties with the lowest [*dedicated county road funding, as defined in ORS 366.772*] **ratio of registered vehicles to road miles maintained by each county**. Standard specifications for road projects shall be provided without cost to all counties. The Department of Transportation shall determine an amount to be charged for assistance under this paragraph in establishing specifications and standards for roads under ORS 368.036. The costs of assistance not specifically provided for under this paragraph shall be paid as provided by agreement between the county governing body and the director.

(i) Upon request of the State Parks and Recreation Department, assist the State Parks and Recreation Department in evaluating the potential need for construction, reconstruction, improvement, maintenance or operation of highways, roads and streets that would result if the State Parks and Recreation Commission acquired and developed a new historic site, park or recreation area under the criteria established pursuant to ORS 390.112 or any other criteria for acquisition established by the State Parks and Recreation Commission.

(2) The director may require duties with respect to audits and accounting procedures provided for in this section and ORS 366.165 to be performed and responsibilities to be assumed by the fiscal officer of the department appointed under ORS 184.637.

(3) In carrying out the duties set forth in this section, the director shall act in a manner that is consistent with the goal set forth in ORS 468B.155.

SECTION 74a. The amendments to ORS 366.155, 366.772 and 366.805 by sections 72, 73 and 74 of this 2017 Act become operative on January 1, 2018.

(Study and Report)

SECTION 75. (1) The Oregon Transportation Commission shall conduct a study. The purpose of the study is to determine:

(a) **The proportionate share that users of vehicles that are powered by different means should pay for the costs of maintenance, operation and improvement of the highways in this state; and**

(b) **Whether users of vehicles that are powered by different means are paying that share.**

(2) **If the commission determines that users are not paying a proportionate share, then the commission may include in the report recommendations for legislation.**

(3) **This section applies to users paying the vehicle registration fee under ORS 803.420 (6)(a).**

(4) **The commission shall report the results of the study to the Joint Committee on Transportation established under section 26 of this 2017 Act, in the manner provided by ORS 192.245, no later than September 15, 2023.**

SECTION 76. Section 75 of this 2017 Act is repealed on January 2, 2024.

NOTE: Section 77 was deleted by amendment. Subsequent sections were not renumbered.

MULTIMODAL TRANSPORTATION (Connect Oregon)

SECTION 78. ORS 367.080 is amended to read:

367.080. (1) As used in ORS 367.080 to 367.086:

(a) "Bicycle" has the meaning given that term in ORS 801.150.

(b) "Private entity" means any entity that is not a public body, including but not limited to a corporation, partnership, company, nonprofit organization or other legal entity or natural person.

(c) "Public body" has the meaning given that term in ORS 174.109.

(d) "Statewide significance" means a transportation project that:

(A) Benefits the regional and statewide economy; and

(B) Sustains employment within the community or region in which the transportation project is located beyond the employment associated with construction or implementation of the project.

[(b)] (e) "Transportation project" means a project or undertaking for transit, rail, marine, aviation and bicycle and pedestrian capital infrastructure, including bridges, paths and ways, or a project that facilitates the transportation of materials, animals or people. A transportation project does not include costs associated with operating expenses or the purchase of bicycles.

(2) The Connect Oregon Fund is established **in the State Treasury**, separate and distinct from the General Fund. Earnings on moneys in the Connect Oregon Fund shall be deposited into the fund. Moneys in the Connect Oregon Fund are continuously appropriated to the Department of Transportation for the purposes described in subsection (3) of this section and in ORS 367.086. **The fund consists of the following:**

(a) Moneys transferred to the fund under sections 96 and 97 of this 2017 Act.

(b) Moneys appropriated to the fund by the Legislative Assembly.

(c) Earnings on moneys in the fund.

(d) Lottery bond proceeds.

(e) Moneys from any other source.

(3) The department shall use moneys in the Connect Oregon Fund to provide grants for transportation projects as provided in ORS 367.080 to 367.086. Grants may be provided only for projects that involve one or more of the following modes of transportation:

(a) Air;

(b) Marine;

(c) Rail; **and**

[(d) *Public transit; and*]

[(e)] (d) Bicycle and pedestrian.

SECTION 79. ORS 367.082 is amended to read:

367.082. (1) Except as provided in subsection (2) of this section, the Department of Transportation may provide, from moneys in the Connect Oregon Fund established [by] **under** ORS 367.080, grants for transportation projects to public bodies, as defined in ORS 174.109, and to private entities.

(2) Grants may not be made from the Connect Oregon Fund for transportation projects that could constitutionally be funded by revenues described in [section 3a,] Article IX, **section 3a**, of the Oregon Constitution.

(3) The Department of Transportation shall adopt rules specifying the process by which a public body or private entity may apply for a grant under this section and prescribing the terms and conditions of grants[, *including but not necessarily limited to a requirement that the public body or private entity receiving the grant provide at least 30 percent of the moneys required for the transportation project*]. **An applicant receiving a grant must provide the following amounts:**

(a) **For public bodies and private entities, other than Class I railroads, 30 percent of the moneys required for the transportation project.**

(b) **For Class I railroads, 50 percent of the moneys required for the transportation project.**

SECTION 80. ORS 367.084 is amended to read:

367.084. (1) The Oregon Transportation Commission shall select transportation projects to be funded with moneys in the Connect Oregon Fund established [by] **under** ORS 367.080.

(2)(a) **Prior to selecting transportation projects, the commission shall seek input from the applicable area commission on transportation.**

[(2)(a)] **(b)** Prior to selecting aeronautic and airport transportation projects, the commission shall solicit recommendations from the State Aviation Board.

[(b)] **(c)** Prior to selecting freight transportation projects, the commission shall solicit recommendations from the Freight Advisory Committee.

[(c)] **(d)** Prior to selecting [*public transit and*] rail projects, the commission shall solicit recommendations from [*its public transit and*] **the rail advisory [committees] committee.**

[(d)] **(e)** Prior to selecting marine projects, the commission shall solicit recommendations from the Oregon Business Development Department.

[(e)] **(f)** Prior to selecting bicycle and pedestrian projects, the commission shall solicit recommendations from the advisory committee created by ORS 366.112.

(3) The commission shall divide the Connect Oregon program into two parts to be known as Connect Oregon Part One and Connect Oregon Part Two.

(4) Connect Oregon Part One consists of transportation projects that involve one or more of the following modes of transportation:

(a) Air;

(b) Marine;

(c) Rail; and

(d) Bicycle and pedestrian.

(5) Connect Oregon Part Two consists of transportation projects that:

(a) Are transportation projects of statewide significance; and

(b) Enhance or maintain one or more of the following modes of transportation:

(A) Air;

(B) Marine;

(C) Class I railroads;

(D) Class II railroads; or

(E) Class III railroads.

[(3)] **(6)** In selecting transportation projects **within Connect Oregon Part One**, the commission shall consider:

(a) Whether a proposed transportation project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;

(b) Whether a proposed transportation project results in an economic benefit to this state;

(c) Whether a proposed transportation project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;

(d) How much of the cost of a proposed transportation project can be borne by the applicant for the grant from any source other than the Connect Oregon Fund;

(e) Whether a proposed transportation project is ready for construction; [*and*]

(f) Whether a proposed transportation project has a useful life expectancy that offers maximum benefit to the state[.]; **and**

(g) Whether a proposed transportation project is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

(7) The commission may award grants only for bicycle and pedestrian transportation projects that expand and improve commuter routes for nonmotorized vehicles and pedestrians, including bicycle trails, footpaths and multiuse trails.

(8) In selecting marine enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Is located in a deepwater port;

(b) Is located in a port with commercial activities where freight is transferred between water and another mode of freight transport;

(c) Improves efficiency of port operations or transportation system;

(d) Improves accessibility, connections, safety or mobility between a port and another modes of transportation;

(e) Has a significant economic benefit to this state including but not limited to adding jobs, retaining a high number of existing jobs or supporting business expansion at a port facility; and

(f) Leverages private funding.

(9) In selecting marine maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Maintains or improves channel depth or width;

(b) Preserves high-use or high-volume dock or pier infrastructure;

(c) Maintains connections to a port facility, including railroads or highways; and

(d) Preserves critical equipment necessary to maintain port functionality including but not limited to cranes, lifts, hoists and moorings.

(10) In selecting Class II or III railroad enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Allows a Class II or III railroad to transport a substantial volume or value of freight in relation to other Class II or III railroads;

(b) Connects a Class II or III railroad to a deepwater port;

(c) Improves efficiency of the line;

(d) Improves capacity of the line;

(e) Connects to new or expanding businesses requiring rail service; and

(f) Improves connectivity with Class I railroads.

(11) In selecting Class II or III railroad maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Maintains or increases functionality of the railroad;

(b) Maintains or improves a critical bridge, tunnel or other structure necessary to maintain rail service;

(c) Provides jobs to economically disadvantaged areas, as determined by the Oregon Business Development Department by rule;

(d) Helps protect critical rail infrastructure from seismic vulnerability;

(e) Improves railroads that serve industries that are important to this state;

(f) Increases the volume or value of freight; and

(g) Improves connections to highways or intermodal terminals.

(12) In selecting Class I railroad enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Eliminates or improves an identified rail congestion point;

(b) Improves the capacity or efficiency of the rail system;

(c) Has a strong benefit to Oregon's economy;

(d) Improves operations and efficiency of shared rail passenger service providers;

(e) Improves accessibility to ports or other intermodal terminals; and

(f) Improves the safety or reliability of the rail system.

(13) In selecting Class I railroad maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:

(a) Connects to Class II or III railroads, ports, intermodal terminals or highways; and

(b) Improves seismically vulnerable portions of the railroad or bridges.

(14) To receive a grant under Connect Oregon Part Two a proposed aviation transportation project must benefit a category I, II, III or IV airport, as defined by the Oregon Department of Aviation by rule and the airport must be eligible for federal matching funds. In addition the commission shall consider whether a proposed transportation project:

(a) Facilitates rescue or recovery efforts following a seismic event;

(b) Serves joint military and civilian operations; or

(c) Facilitates expanded commercial service, excluding the acquisition or operation of aircraft.

[(4)] **(15)** To promote fairness in the selection process, the Director of Transportation may not choose a member of a final review committee:

(a) Who represents an entity that submitted an application for a Connect Oregon Fund grant that is being considered for funding by a final review committee; or

(b) Has a direct financial interest in an application that is being considered for funding by a final review committee.

SECTION 80a. Section 7, chapter 700, Oregon Laws 2015, is amended to read:

Sec. 7. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 (2); and

(b) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines in excess of one cent per gallon and any amount of tax on all other aircraft fuel in excess of nine cents per gallon, that is deducted before the refunding of tax under ORS 319.330 (1).

(2) Applications for distributions under this section may not be approved unless the applicant demonstrates a commitment to contribute at least five percent of the costs of the project to which the application relates. The Oregon Department of Aviation shall adopt rules for purposes of this subsection.

(3)(a) The State Aviation Board shall establish a review committee composed of one member from each of the area commissions on transportation chartered by the Oregon Transportation Commission.

(b) The review committee shall meet as necessary to review applications for distributions of amounts pursuant to this section. The criteria specified in ORS 367.084 [(3)] **(6)** apply to the review process of the review committee.

(c) The review committee shall recommend applications to the State Aviation Board, which shall select applications with the following priority:

(A) First, to applications filed pursuant to subsection (5)(a)(A) of this section;

(B) Second, to applications filed with respect to safety and infrastructure development; and

(C) Third, to applications filed with respect to aviation-related economic benefits related to airports.

(4)(a) Five percent of the amounts described in subsection (1) of this section are appropriated to the Oregon Department of Aviation for the costs of the department and the State Aviation Board in administering this section.

(b) The remaining 95 percent of the amounts described in subsection (1) of this section shall be distributed pursuant to subsections (5) to (7) of this section.

(5)(a) Fifty percent of the amounts described in subsection (4)(b) of this section shall be distributed for the following purposes:

(A) To assist airports in Oregon with match requirements for Federal Aviation Administration Airport Improvement Program grants.

(B) To make grants for emergency preparedness and infrastructure projects, in accordance with the Oregon Resilience Plan, including grants for emergency management plan development, seismic studies and emergency generators and similar equipment.

(C) To make grants for:

(i) Services critical or essential to aviation, including, but not limited to, fuel, sewer, water and weather equipment.

(ii) Aviation-related business development, including, but not limited to, hangars, parking for business aircraft and related facilities.

(iii) Airport development for local economic benefit, including, but not limited to, signs and marketing.

(b) Priority in distributing grants shall be given to projects for which applicants demonstrate a commitment to contribute the greatest amounts toward the costs of the projects to which the applications relate.

(6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be distributed for the purpose of assisting commercial air service to rural Oregon.

(7) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be distributed to state-owned airports for the purposes of:

(a) Safety improvements recommended by the State Aviation Board and local community airports.

(b) Infrastructure projects at public use airports.

(8)(a) The State Aviation Board shall submit reports, in the manner provided in ORS 192.245 and paragraph (b) of this subsection, that describe in detail the projects for which applications have been submitted and approved, the airports affected, the names of the applicants and the persons who will perform the work proposed in the applications, the progress of projects for which applications have been approved and any other information the board considers necessary for a comprehensive analysis of the implementation of this section.

(b) The reports described in paragraph (a) of this subsection shall be submitted:

(A) Not later than February 10 of each year to the committees of the Legislative Assembly related to air transportation; and

(B) Not later than September 30 of each year to the interim committees of the Legislative Assembly related to air transportation.

SECTION 81. ORS 367.086 is amended to read:

367.086. (1) The Department of Transportation, in cooperation with the Oregon Department of Aviation, shall administer aeronautic and airport transportation projects selected under ORS 367.084 for funding with moneys in the Connect Oregon Fund. The Oregon Department of Aviation may use moneys from the Connect Oregon Fund to pay administrative costs incurred by the Oregon Department of Aviation in carrying out the provisions of ORS 367.080 to 367.086.

(2) Except as provided in subsection (1) of this section, the Department of Transportation shall administer all transportation projects that are selected under ORS 367.084. [*The Department of Transportation may use moneys from the Connect Oregon Fund to pay administrative costs incurred by the Department of Transportation in carrying out the provisions of ORS 367.080 to 367.086.*]

SECTION 82. Sections 83 to 85 of this 2017 Act are added to and made a part of ORS 367.080 to 367.086.

SECTION 83. (1) If there is \$75 million or more in the Connect Oregon Fund on July 1 of an odd-numbered year, the amounts available under ORS 367.080 shall be distributed for transportation projects within the Connect Oregon program as follows:

(a) For projects within Connect Oregon Part One:

(A) Forty-seven percent for transportation projects that involve one or more of the following modes of transportation:

(i) Aviation;

(ii) Marine; or

(iii) Rail.

(B) Seven percent for bicycle and pedestrian transportation projects.

(C) One percent is appropriated to the Department of Transportation to pay administrative costs incurred by the department in carrying out the provisions of ORS 367.080 to 367.086.

(b) For transportation projects within Connect Oregon Part Two, forty-five percent.

(2) If there is less than \$75 million in the Connect Oregon Fund on July 1 of an odd-numbered year, the amounts available under ORS 367.080 shall be distributed for transportation projects within the Connect Oregon program as follows for projects within Connect Oregon Part One:

(a) **Ninety-two percent for transportation projects that involve one or more of the following modes of transportation:**

- (A) **Aviation;**
- (B) **Marine; or**
- (C) **Rail.**

(b) **Seven percent for bicycle and pedestrian transportation projects.**

(c) **One percent is appropriated to the Department of Transportation to pay administrative costs incurred by the department in carrying out the provisions of ORS 367.080 to 367.086.**

(3) **To the extent that proposed transportation projects meet the qualifications established by the Oregon Transportation Commission by rule, the commission shall allocate at least 10 percent of the amount described in subsection (1) or (2) of this section to each of the five regions described in ORS 366.805.**

SECTION 84. (1) **When the Department of Transportation provides a grant under ORS 367.080 to 367.086 for a bicycle and pedestrian transportation project that is consistent with any restrictions under Article XV, section 4 or 4a, of the Oregon Constitution, the department may request reimbursement from the State Parks and Recreation Department in an amount not to exceed \$4 million each biennium.**

(2) **If the State Parks and Recreation Department determines that the grant for the bicycle and pedestrian transportation project is consistent with any restrictions of Article XV, section 4 or 4a, of the Oregon Constitution, the State Parks and Recreation Department shall reimburse the Department of Transportation from the Parks Subaccount established under ORS 390.135 within five days after receiving the request for reimbursement.**

SECTION 85. (1) **The Oregon Transportation Commission shall pursue methods to streamline the process for submitting applications under ORS 367.080 to 367.086.**

(2) **The Oregon Transportation Commission shall report to the Joint Committee on Transportation established under section 26 of this 2017 Act no later than September 15, 2017, on the implementation of this section.**

(Dredging)

SECTION 86. ORS 319.415 is amended to read:

319.415. (1) **On or before July 15 of each year, the Oregon Department of Administrative Services, after consultation with the Department of Transportation and the State Marine Board, shall determine the amount of the motor vehicle fuel tax imposed under ORS 319.010 to 319.430 during the preceding fiscal year with respect to fuel purchased and used to operate or propel motor boats. The amount determined shall be reduced by the amount of any refunds for motor boats used for commercial purposes actually paid during the preceding year on account of ORS 319.280 (1)(a).**

(2)(a) **The Oregon Department of Administrative Services shall estimate the amount of fuel described in subsection (1) of this section that is used to operate or propel motor boats by conducting a statistically valid, unbiased, independent survey of boat owners. The survey shall be conducted once every four years and shall be designed to estimate the average daily fuel consumption by motor boats and the total days of motor boat use per year. The survey shall be used to determine the amount of the transfer required by subsection (3) of this section for the first transfer that occurs after the survey is completed. If the tax rate changes during the fiscal year, the amount of tax to be transferred shall be prorated based on the percentage of total motor boat use taking place during each tax period.**

(b) **In years when no survey is conducted, the amount to be transferred under subsection (3) of this section shall be calculated by multiplying the per boat fuel consumption factors from the preceding survey by the number of motor boats as shown by the annual actual count of boat registrations. The resulting amount, in gallons per year, shall be the basis for the determination of the amount to be transferred.**

(c) The survey required by paragraph (a) of this subsection shall be developed by a research department within Oregon State University, in consultation with the State Marine Board and the Department of Transportation. The Oregon Department of Administrative Services shall contract for the development and conduct of the survey, and the costs shall be paid by the Department of Transportation. Costs paid by the Department of Transportation may be deducted from the amount transferred to the State Marine Board **and to the Oregon Business Development Department** under subsection (3) of this section.

(3) The Oregon Department of Administrative Services shall certify the amount of the estimate made under subsection (1) of this section, as reduced by refunds, to the Department of Transportation, to the State Marine Board, **to the Oregon Business Development Department** and to the State Treasurer. Thereupon, that amount shall be transferred from the Department of Transportation Driver and Motor Vehicle Suspense Account to the:

(a) Boating Safety, Law Enforcement and Facility Account created under ORS 830.140, and is continuously appropriated to the State Marine Board for the purposes for which the moneys in the Boating Safety, Law Enforcement and Facility Account are appropriated[.]; **and**

(b) **Marine Navigation Improvement Fund established under ORS 777.267, and is continuously appropriated to the Oregon Business Development Department for the Oregon Infrastructure Finance Authority for the purposes of paying for portions of the cost of maintenance dredging projects undertaken with equipment owned by the State of Oregon at publicly owned ports and marinas.**

(4) **Of the amounts transferred under subsection (3) of this section, two cents per gallon of fuel shall first be transferred to the Marine Navigation Improvement Fund and the remaining amounts shall be transferred to the Boating Safety, Law Enforcement and Facility Account.**

SECTION 87. ORS 777.267 is amended to read:

777.267. (1) The Marine Navigation Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marine Navigation Improvement Fund shall be credited to the fund. The moneys in the fund and interest earnings on the moneys in the fund are continuously appropriated to the Oregon Business Development Department for the Oregon Infrastructure Finance Authority for the purposes of:

(a) Paying a portion of the construction costs of dredging activities that constitute new federally authorized navigation improvement projects and are carried out in the harbors and channels on the Oregon coast and along the Columbia River when federal law or regulation requires a portion of the costs to be paid by nonfederal interests;

(b) Paying the study and construction costs of other new navigation improvement projects that directly support, or provide access to, a federally authorized navigation improvement project; [*and*]

(c) Paying the study and construction costs of maintenance projects related to existing federally authorized navigation improvement projects[.]; **and**

(d) **Paying for portions of the cost of maintenance dredging projects undertaken with equipment owned by the State of Oregon at publicly owned ports and marinas.**

(2) The Marine Navigation Improvement Fund established by this section consists of:

(a) Moneys appropriated **or otherwise deposited into** [*to*] the fund by the Legislative Assembly[.];

(b) Repayment of loans made with moneys in the fund; and

(c) Bond proceeds deposited in the fund.

(3) Moneys in the fund shall be used primarily to make loans to ports for eligible projects. The authority may award a grant or provide other assistance from moneys in the fund to a port for an eligible project only if a loan is not feasible due to the financial hardship of the port or other special circumstances, as set forth in rules adopted by the department.

(4) Eligibility for assistance from the Marine Navigation Improvement Fund shall be limited to and funded, subject to the availability of funds, in the following order of priority:

(a) Maintenance projects related to existing federally authorized navigation improvement projects.

(b) Other new navigation improvement projects that directly support, or provide access to, a federally authorized navigation improvement project or a federally authorized navigation channel.

(c) New federally authorized navigation improvement projects.

(d) Payment of portions of the cost of maintenance dredging projects undertaken with equipment owned by the State of Oregon at publicly owned ports and marinas.

(5) The authority shall limit financial assistance for construction costs under subsection (1)(a) of this section to those projects that have completed all federally required studies.

(6) The authority shall limit financial assistance for construction costs under subsection (1)(b) of this section to projects sponsored by a port, as defined in ORS 777.005 or 778.005, that meet criteria developed by the authority.

(7) The authority shall limit financial assistance for study costs under subsection (1)(b) of this section to projects that meet criteria developed by the authority.

(8) The authority shall limit financial assistance for study and construction costs under subsection (1)(c) of this section to projects that meet criteria developed by the authority.

SECTION 88. ORS 802.110 is amended to read:

802.110. Any procedures the Department of Transportation establishes for financial administration of those functions of the department dealing with driver and motor vehicle services and for the disposition and payment of moneys it receives from the provision of driver and motor vehicle services shall comply with all of the following:

(1) The department shall deposit all moneys it receives related to driver and motor vehicle services in the Department of Transportation Driver and Motor Vehicle Suspense Account for approved expenses and disbursements before payment of general administrative expenses of the department related to the provision of driver and motor vehicle services. Notwithstanding this subsection, the department may return a bank check or money order when received in incorrect or incomplete form or when not accompanied by the proper application.

(2) The department shall pay the following approved expenses and disbursements from the Department of Transportation Driver and Motor Vehicle Suspense Account before payment of the general administrative expenses of the department related to driver and motor vehicle services:

(a) Refunds authorized by any statute administered by the department when such refunds are approved by the department.

(b) Amounts transferred to the State Treasurer under ORS 319.410 (2) for the purpose of carrying out the state aviation laws, amounts transferred to the Boating Safety, Law Enforcement and Facility Account **and to the Marine Navigation Improvement Fund** by ORS 319.415, amounts transferred to the State Aviation Account by ORS 319.417 and amounts transferred to the Department of Transportation Operating Fund by ORS 184.643.

(c) After deduction of expenses of collection, transfer and administration, the department shall pay moneys collected from the Student Driver Training Fund eligibility fee under ORS 807.040, 807.150 and 807.370 to the State Treasurer for deposit in the Student Driver Training Fund. The moneys deposited in the Student Driver Training Fund under this paragraph are continuously appropriated to the department for the following purposes:

(A) To the extent of not more than 10 percent of the amount transferred into the Student Driver Training Fund in any biennium, to pay the expenses of administering ORS 336.795, 336.800, 336.805, 336.810 (2) and 336.815.

(B) The remaining moneys, for reimbursing school districts and commercial driver training schools as provided under ORS 336.805.

(d) After deduction of expenses of collection, transfer and administration, the department shall pay moneys collected for the Motorcycle Safety Subaccount under ORS 807.170 to the State Treasurer for deposit in the Motorcycle Safety Subaccount of the Transportation Safety Account. Moneys paid to the State Treasurer under this paragraph shall be used for the purpose of ORS 802.320.

(e) After deduction of expenses for the administration of the issuance of customized registration plates under ORS 805.240, the department shall place moneys received from the sale of customized registration plates in the Passenger Rail Transportation Account. The moneys placed in the account are continuously appropriated to the department and shall be used for the payment of expenses incurred in administering passenger rail programs.

(f) After deduction of expenses of collection, transfer and administration, the department shall pay moneys from any registration fees established by the governing bodies of counties or a district, as defined in ORS 801.237, under ORS 801.041 or 801.042 to the appropriate counties or districts. The department shall make the payments on at least a monthly basis unless another basis is established by the intergovernmental agreements required by ORS 801.041 and 801.042 between the department and the governing bodies of a county or a district.

(g) After deducting the expenses of the department in collecting and transferring the moneys, the department shall make disbursements and payments of moneys collected for or dedicated to any other purpose or fund except the State Highway Fund, including but not limited to, payments to the Department of Transportation Operating Fund established by ORS 184.642 (1) and (2).

(3) The department shall refund from the Department of Transportation Driver and Motor Vehicle Suspense Account any excess or erroneous payment to a person who made the payment or to the person's legal representative when the department determines that money has been received by it in excess of the amount legally due and payable or that it has received money in which it has no legal interest. Refunds payable under this subsection are continuously appropriated for such purposes in the manner for payment of refunds under this section. If the department determines that a refund is due, the department may refund the amount of excess or erroneous payment without a claim being filed. Except as provided in ORS 319.290, 319.375, 319.820 and 319.831, any claim for a refund from the department must be filed within 12 months after the date payment is received by the department.

(4) After payment of those expenses and disbursements approved for payment before general administrative expenses related to the provision of driver and motor vehicle services, the department shall pay from the Department of Transportation Driver and Motor Vehicle Services Administrative Account its general administrative expenses incurred in the administration of any law related to driver and motor vehicle services that the department is charged with administering and any other expenses the department is permitted by law to pay from moneys held by the department before transfer of the moneys to the State Highway Fund. The following limitations apply to payments of administrative expenses under this subsection:

(a) The department shall make payment of the expenses of administering the issuance of winter recreation parking permits under ORS 811.595 from those moneys received from issuing the permits.

(b) The department shall pay its expenses for administering the registration and titling of snowmobiles under ORS 821.060 and 821.100 from the fees collected from administering those sections. The department shall also pay its expenses for the administration of the snowmobile driver permit program under ORS 821.160 from the moneys otherwise described in this paragraph.

(c) The department shall pay its expenses for determining the amount of money to be withheld under ORS 802.120 from the fees collected for administering the registration and titling of snowmobiles. The amount used to pay expenses under this paragraph shall be such sum as necessary but may not exceed \$10,000 during each biennium.

(d) The department shall retain not more than \$15,000 in any biennium for the expenses of collecting and transferring moneys to the Student Driver Training Fund under this section and for the administration of ORS 336.810 (3).

(5) Except as otherwise provided in this subsection, the department shall transfer to the State Highway Fund the moneys not used for payment of the general administrative expenses or for approved expenses and disbursements before payment of general administrative expenses. The following apply to this subsection:

(a) If the Director of Transportation certifies the amount of principal or interest of highway bonds due on any particular date, the department may make available for the payment of such in-

terest or principal any sums that may be necessary to the extent of moneys on hand available for the State Highway Fund regardless of the dates otherwise specified under this section.

(b) Notwithstanding paragraph (a) of this subsection, the department may not make available for purposes described in paragraph (a) of this subsection any moneys described in ORS 367.605 when there are not sufficient amounts of such moneys in the State Highway Fund for purposes of bonds issued under ORS 367.615.

(6) Notwithstanding any other provision of this section, the following moneys shall be transferred to the State Highway Fund at the times described:

(a) Moneys received under ORS 802.120 and not used for the payment of administrative expenses of the department shall be transferred before July 31 of each year.

(b) Moneys received from the registration of snowmobiles that are not to be used for payment of administrative expenses of the department shall be transferred within 30 days after the end of the quarter.

(c) Moneys received from the issuance of winter recreation parking permits that are not used for payment of administrative expenses of the department shall be transferred within 30 days after the end of the quarter.

(7) The following moneys transferred to the State Highway Fund under this section may be used only for the purposes described as follows:

(a) Moneys collected from the issuance of winter recreation parking permits, and the interest on such moneys, shall be used to enforce the requirement for winter recreation parking permits and to remove snow from winter recreation parking locations designated under ORS 810.170. Any remaining moneys shall, upon approval by the Winter Recreation Advisory Committee:

(A) Be used to maintain parking locations developed with moneys obtained under ORS 810.170 and snowmobile facilities that are parking lots developed with moneys as provided under this section;

(B) Be used to develop additional winter recreation parking locations under ORS 810.170; or

(C) Be carried over to be used in subsequent years for the purposes and in the manner described in this paragraph.

(b) Moneys received from the registration of snowmobiles or under ORS 802.120 may be used for development and maintenance of multiuse trails within urban growth boundaries [*described in ORS 367.017*] or for the development and maintenance of snowmobile facilities, including the acquisition of land therefor by any means other than the exercise of eminent domain. Moneys received under ORS 802.120 may also be used for the enforcement of ORS 811.590, 821.100 to 821.120, 821.140, 821.150, 821.190, 821.210 and 821.240 to 821.290.

(8) The department shall maintain the Revolving Account for Emergency Cash Advances separate from other moneys described in this section. From the account, the department may pay for the taking up of dishonored remittances returned by banks or the State Treasurer and for emergency cash advances to be subsequently reimbursed. The account shall be used only as a revolving fund. The department shall at all times be accountable for the amount of the account, either in cash or unreimbursed items and advances. The moneys in the account are continuously appropriated for the purposes of this subsection. The amount of moneys in the account under this subsection may not exceed \$40,000 from moneys received by the department in the performance of its driver and motor vehicle services functions and moneys otherwise appropriated for purposes of this subsection. The account under this subsection shall be kept on deposit with the State Treasurer. The State Treasurer is authorized to honor and pay all properly signed and indorsed checks or warrants drawn against the account.

REVENUE FOR TRAFFIC CONGESTION RELIEF, FREIGHT MOBILITY AND CONNECT OREGON

SECTION 89. Definitions for sections 89 to 111. As used in sections 89 to 111 of this 2017 Act:

(1)(a) "Bicycle" means a vehicle that is designed to be operated on the ground on wheels and is propelled exclusively by human power.

(b) "Bicycle" does not include durable medical equipment.

(2) "New motor vehicle" has the meaning given that term in ORS 803.350 (8)(c).

(3) "Retail sales price" means the total price paid at retail for a taxable vehicle, exclusive of the amount of any excise, privilege or use tax, to a seller by a purchaser of the taxable vehicle.

(4) "Seller" means:

(a) With respect to the privilege tax imposed under section 90 of this 2017 Act and the use tax imposed under section 91 of this 2017 Act, a vehicle dealer.

(b) With respect to the excise tax imposed under section 92 of this 2017 Act, a person engaged in whole or in part in the business of selling bicycles.

(5) "Taxable bicycle" means a new bicycle that has wheels of at least 26 inches in diameter and a retail sales price of \$200 or more.

(6) "Taxable motor vehicle" means a new motor vehicle with a gross vehicle weight rating of 26,000 pounds or less that is:

(a) A vehicle as defined in ORS 744.850, other than an all-terrain vehicle;

(b) A bus trailer as defined in ORS 801.165;

(c) A camper as defined in ORS 801.180;

(d) A commercial bus as defined in ORS 801.200;

(e) A commercial motor vehicle as defined in ORS 801.208;

(f) A commercial vehicle as defined in ORS 801.210;

(g) An electric assisted bicycle as defined in ORS 801.258;

(h) A fixed load vehicle as defined in ORS 801.285;

(i) A moped as defined in ORS 801.345;

(j) A motor assisted scooter as defined in ORS 801.348;

(k) A motor home as defined in ORS 801.350;

(L) A motor truck as defined in ORS 801.355;

(m) A tank vehicle as defined in ORS 801.522;

(n) A truck tractor as defined in ORS 801.575;

(o) A truck trailer as defined in ORS 801.580; or

(p) A worker transport bus as defined in ORS 801.610.

(7) "Taxable vehicle" means a taxable bicycle or a taxable motor vehicle.

(8) "Transportation project taxes" means the privilege tax imposed under section 90 of this 2017 Act, the use tax imposed under section 91 of this 2017 Act and the excise tax imposed under section 92 of this 2017 Act.

(9)(a) "Vehicle dealer" means:

(A) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; and

(B) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.

(b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for purposes of sections 89 to 111 of this 2017 Act to the extent the person:

(A) Conducts an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise taxable motor vehicles are sold at auction; or

(B) Sells an otherwise taxable motor vehicle at auction at an event described in this paragraph.

SECTION 90. Imposition of tax for privilege of engaging in the business of selling taxable motor vehicles at retail; vehicle dealer allowed to collect amount of privilege tax from purchaser of taxable motor vehicle. (1) A tax is imposed on each vehicle dealer for the privilege of engaging in the business of selling taxable motor vehicles at retail in this state.

(2) The privilege tax shall be computed at the rate of 0.5 percent of the retail sales price of the taxable motor vehicle. The tax may be rounded to the nearest whole cent.

(3)(a) A vehicle dealer may collect the amount of the privilege tax computed on the retail sales price of a taxable motor vehicle from the purchaser of the taxable motor vehicle.

(b) Notwithstanding paragraph (a) of this subsection, the purchaser of a taxable motor vehicle from whom the privilege tax is collected is not considered a taxpayer for purposes of the privilege tax imposed under this section.

SECTION 90a. ORS 822.043 is amended to read:

822.043. (1) As used in this section:

(a) "Integrator" has the meaning given that term in ORS 802.600.

(b) "Vehicle dealer" means a person issued a vehicle dealer certificate under ORS 822.020.

(2) A vehicle dealer may elect to prepare, submit, or prepare and submit documents necessary to:

(a) Issue or transfer a certificate of title for a vehicle;

(b) Register a vehicle or transfer registration of a vehicle;

(c) Issue a registration plate;

(d) Verify and clear a title;

(e) Perfect, release or satisfy a lien or other security interest;

(f) Comply with federal security requirements; or

(g) Render any other services for the purpose of complying with state and federal laws related to the sale of a vehicle.

(3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

(a) May charge a purchaser of a vehicle a document processing fee for the preparation of those documents.

(b) May not charge a purchaser of a vehicle a document processing fee for the submission of any document or the issuance of a registration plate.

(c) May charge a purchaser of a vehicle a document processing fee for performing any of the services described in subsection (2) of this section in connection with preparing the documents described in subsection (2) of this section.

(4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under this section exceed:

(a) \$150, if the vehicle dealer uses an integrator; or

(b) \$115, if the vehicle dealer does not use an integrator.

(5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section, of the amount collected \$25 shall be paid to the integrator.

(6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a document processing fee greater than that charged for not using an integrator, the dealer must inform the purchaser of the vehicle of the option of using an integrator to prepare the documents. The purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the documents.

(7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare and submit all documents to complete the transaction as permitted by law.

(8)(a) A vehicle dealer who collects the privilege tax imposed under section 90 of this 2017 Act from the purchaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same manner as the vehicle dealer collects document processing fees under this section. The amount of the privilege tax shall be in addition to and not in lieu of document processing fees collected under this section.

(b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and offering price of a taxable motor vehicle as those terms are defined by the Department of Justice by rule.

SECTION 91. Imposition of use tax on taxable motor vehicles purchased at retail. (1) A use tax is imposed on the storage, use or other consumption in this state of taxable motor vehicles purchased at retail from any seller.

(2) The use tax shall be computed at the rate of 0.5 percent of the retail sales price of the taxable motor vehicle.

(3) The use tax is a liability of the purchaser of the taxable motor vehicle.

(4) The use tax shall be reduced, but not below zero, by the amount of any privilege, excise, sales or use tax imposed by any jurisdiction on the sale, or on the storage, use or other consumption, of the taxable motor vehicle. The reduction under this subsection shall be made only upon a showing by the purchaser that a privilege, excise, sales or use tax has been paid.

(5) The amount of the use tax shall be separately stated on an invoice, receipt or other similar document that the seller provides to the purchaser or shall be otherwise disclosed to the purchaser.

(6) A purchaser's liability for the use tax is satisfied by a valid receipt given to the purchaser under section 93 of this 2017 Act by the seller of the taxable motor vehicle.

SECTION 92. Imposition of excise tax on retail sale of taxable bicycles. (1) An excise tax of \$15 is imposed on each sale at retail in this state of a taxable bicycle.

(2) The excise tax is a liability of the purchaser of the taxable bicycle.

(3) The amount of the excise tax shall be separately stated on an invoice, receipt or other similar document that the seller provides to the purchaser or shall be otherwise disclosed to the purchaser.

(4) A seller shall collect the excise tax at the time of the taxable sale.

(5) A purchaser's liability for the excise tax is satisfied by a valid receipt given to the purchaser by the seller of the taxable bicycle.

SECTION 93. Collection of use tax. (1) A seller shall collect the use tax imposed under section 91 of this 2017 Act from a purchaser of a taxable motor vehicle and give the purchaser a receipt for the use tax in the manner and form prescribed by the Department of Revenue if:

(a) The seller is:

(A) Engaged in business in this state;

(B) Required to collect the use tax; or

(C) Authorized by the department, under rules the department adopts, to collect the use tax and, for purposes of the use tax, regarded as a seller engaged in business in this state; and

(b) The seller makes sales of taxable motor vehicles for storage, use or other consumption in this state that are subject to the use tax.

(2) A seller required to collect the use tax under this section shall collect the tax:

(a) At the time of the taxable sale; or

(b) If the storage, use or other consumption of the taxable motor vehicle is not taxable at the time of sale, at the time the storage, use or other consumption becomes taxable.

(3) To ensure the proper administration of section 91 of this 2017 Act, and to prevent evasion of the use tax, the following presumptions are established:

(a) A taxable motor vehicle is stored, used or otherwise consumed in this state if it is present in this state for private or public display or storage.

(b)(A) A taxable motor vehicle sold by any seller for delivery in this state was sold for storage, use or other consumption in this state unless the contrary is proved.

(B) The burden of proving the contrary is on the seller unless the seller takes from the purchaser a resale certificate to the effect that the taxable motor vehicle was purchased for resale in the ordinary course of the purchaser's business.

(c)(A) A taxable motor vehicle delivered outside this state to a purchaser known by the seller to be a resident of this state was purchased from the seller for storage, use or other

consumption in this state and stored, used or otherwise consumed in this state unless the contrary is proved.

(B) The contrary may be proved by:

(i) A statement in writing, signed by the purchaser or an authorized agent of the purchaser and retained by the seller, that the taxable motor vehicle was purchased for storage, use or other consumption exclusively at a designated point or points outside this state; or

(ii) Other evidence satisfactory to the department that the taxable motor vehicle was not purchased for storage, use or other consumption in this state.

SECTION 94. Exempt sales. (1) Notwithstanding section 90 of this 2017 Act, a seller is not liable for the privilege tax with respect to a taxable motor vehicle that is sold to:

(a) A purchaser who is not a resident of this state; or

(b) A business if the storage, use or other consumption of the taxable motor vehicle will occur primarily outside this state.

(2) Notwithstanding section 90 of this 2017 Act, a seller is not liable for the privilege tax with respect to an otherwise taxable motor vehicle that is sold at an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise taxable motor vehicles are sold at auction.

(3) Notwithstanding sections 90 to 93 of this 2017 Act, a resale certificate taken from a purchaser ordinarily engaged in the business of selling taxable vehicles relieves the seller from the obligation to collect and remit transportation project taxes. A resale certificate must be substantially in the form prescribed by the Department of Revenue by rule.

SECTION 95. Refunds for excess payment. (1) If the amount of transportation project taxes paid by a seller or purchaser exceeds the amount of taxes due, the Department of Revenue shall refund the amount of the excess.

(2) Except as provided in subsection (3) of this section, the period prescribed for the department to allow or make a refund of any overpayment of transportation project taxes paid shall be as provided in ORS 314.415.

(3) The department shall apply any overpayment of tax first to any amount of transportation project taxes that is then outstanding.

SECTION 96. Deposit of revenue from privilege and use taxes on taxable motor vehicles.

(1) The Department of Revenue shall deposit all revenue collected from the privilege tax imposed under section 90 of this 2017 Act and the use tax imposed under section 91 of this 2017 Act in a suspense account established under ORS 293.445 for the purpose of receiving the revenue. The department may pay expenses for the administration and enforcement of the privilege and use taxes out of moneys received from the privilege and use taxes. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received from the privilege and use taxes as follows:

(a) Moneys attributable to the privilege tax shall be transferred as follows:

(A) \$12 million shall be transferred annually to the Zero-Emission Incentive Fund established under section 152 of this 2017 Act.

(B) After the transfer required under subparagraph (A) of this paragraph, the balance of the moneys shall be transferred to the Connect Oregon Fund established under ORS 367.080.

(b) Moneys attributable to the use tax shall be transferred to the State Highway Fund.

SECTION 96a. Section 96 of this 2017 Act is amended to read:

Sec. 96. (1) The Department of Revenue shall deposit all revenue collected from the privilege tax imposed under section 90 of this 2017 Act and the use tax imposed under section 91 of this 2017 Act in a suspense account established under ORS 293.445 for the purpose of receiving the revenue. The department may pay expenses for the administration and enforcement of the privilege and use

taxes out of moneys received from the privilege and use taxes. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received from the privilege and use taxes as follows:

(a) Moneys attributable to the privilege tax shall be transferred *[as follows:]*

[(A) \$12 million shall be transferred annually to the Zero-Emission Incentive Fund established under section 152 of this 2017 Act.]

[(B) After the transfer required under subparagraph (A) of this paragraph, the balance of the moneys shall be transferred] to the Connect Oregon Fund established under ORS 367.080.

(b) Moneys attributable to the use tax shall be transferred to the State Highway Fund.

SECTION 96b. The amendments to section 96 of this 2017 Act by section 96a of this 2017 Act become operative on January 1, 2024.

SECTION 97. Deposit of revenue from excise tax on taxable bicycles. (1) The Department of Revenue shall deposit all revenue collected from the excise tax imposed under section 92 of this 2017 Act in a suspense account established under ORS 293.445 for the purposes of receiving the excise tax revenue. The department may pay expenses for the administration and enforcement of the excise tax out of moneys received from the excise tax. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received from the excise tax to the Connect Oregon Fund established under ORS 367.080 for the purpose of providing grants for bicycle and pedestrian transportation projects.

SECTION 98. Collection point for use tax and excise tax; returns and payment for transportation project taxes. (1) Except as otherwise provided in sections 89 to 111 of this 2017 Act, the use tax imposed under section 91 of this 2017 Act and the excise tax imposed under section 92 of this 2017 Act shall be collected at the point of sale and remitted by each seller that engages in the retail sale of taxable vehicles. Each tax is considered a tax upon the seller that is required to collect the tax, and the seller is considered a taxpayer.

(2) Each seller of taxable vehicles that is liable for transportation project taxes shall file a return with the Department of Revenue, in the form and manner prescribed by the department, on or before the last day of January, April, July and October of each year for the previous calendar quarter.

(3) Each seller shall pay the applicable transportation project taxes to the department in the form and manner prescribed by the department, but not later than the date of submitting each quarterly return, without regard to extensions under subsection (5) of this section.

(4) Sellers of taxable vehicles shall file the returns required under this section with respect to the privilege tax imposed under section 90 of this 2017 Act and the excise tax imposed under section 92 of this 2017 Act regardless of whether any taxes are owed.

(5) The department may extend the time for making any return required under this section if a written request is filed with the department during or prior to the period for which the extension may be granted. The department may not grant an extension of more than 30 days.

(6) Interest shall be added to delinquent tax amounts at the rate established under ORS 305.220 from the time the return to which the delinquent tax amounts relate was originally required to be filed to the time of payment.

SECTION 99. Liability for tax; warrant for collection; conference; appeal. (1) Every seller of taxable vehicles who collects any amount of transportation project taxes shall hold the

amount in trust for the State of Oregon and for payment to the Department of Revenue in the manner and at the time provided in section 98 of this 2017 Act.

(2) If a seller of taxable vehicles fails to remit any amount of transportation project taxes, whether collected or not, the department may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued on the delinquent amount. The warrant shall be issued and proceeded upon in the same manner and shall have the same force and effect as is prescribed with respect to warrants for the collection of delinquent income taxes.

(3)(a) In the case of a seller that is assessed under the provisions of ORS 305.265 (12) and 314.407 (1), the department may issue a notice of liability to any officer, employee or member of the seller at any time within three years after the assessment. Within 30 days after the date on which the notice of liability is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the liability and, if desired, request a conference. A conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues raised in the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of liability. Within 90 days after the date on which the conference letter is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided for an appeal from a notice of assessment.

(c) If the department does not receive payment or written objection to the notice of liability within 30 days after the notice of liability was mailed, the notice of liability becomes final. The officer, employee or member may appeal the notice of liability to the tax court within 90 days after the notice became final in the manner provided for an appeal from a notice of assessment.

(4)(a) In the case of a seller that fails to file a return on the due date, in addition to any action described in the provisions of ORS 305.265 (10) and 314.400, the department may issue a notice of determination and assessment to any officer, employee or member of the seller at any time within three years after the assessment. The time of assessment against the officer, employee or member is 30 days after the date on which the notice of determination and assessment is mailed. Within 30 days after the date on which the notice of determination and assessment is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the assessment and, if desired, request a conference. A conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues raised in the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of determination and assessment. Within 90 days after the date on which the conference letter is mailed to the officer, employee or member, the officer, employee or member shall pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided for an appeal from a notice of assessment.

(c) If the department does not receive payment or written objection to the notice of determination and assessment within 30 days after the notice of determination and assessment was mailed, the notice of determination and assessment becomes final. The officer, employee or member may appeal the notice of determination and assessment to the tax court within 90 days after the notice became final in the manner provided for an appeal from a notice of assessment.

(5)(a) More than one officer or employee of a corporation may be held jointly and severally liable for payment of transportation project taxes.

(b) Notwithstanding the confidentiality provisions of section 104 of this 2017 Act, if the department determines that more than one officer or employee of a corporation may be held jointly and severally liable for payment of the transportation project taxes, the department may require any or all of the officers or employees to appear before the department for a joint determination of liability. The department shall notify each officer or employee of the time and place set for the determination of liability.

(c) Each individual notified of a joint determination under this subsection must appear and present such information as is necessary to establish the individual's liability or nonliability for payment of the taxes to the department. If an individual who was notified fails to appear, the department shall make the determination on the basis of all the information and evidence presented. The department's determination is binding on all individuals notified and required to appear under this subsection.

(d)(A) If any individual determined to be liable for unpaid transportation project taxes under this subsection appeals the determination to the Oregon Tax Court under section 103 of this 2017 Act, the individual plaintiff shall implead all individuals required to appear with the plaintiff before the department under this subsection. The department may implead any officer or employee who may be held jointly and severally liable for the payment of the transportation project taxes. Each individual impleaded under this paragraph shall be made a party to the action before the tax court and shall make available to the tax court the information that was presented before the department, as well as other information that may be presented to the tax court.

(B) The tax court may determine that one or more individuals impleaded under this paragraph are liable for unpaid transportation project taxes without regard to any earlier determination by the department that an impleaded individual was not liable for the unpaid taxes.

(C) If an individual required to appear before the tax court under this subsection fails or refuses to appear or bring such information in part or in whole, or is outside the jurisdiction of the tax court, the tax court shall make its determination on the basis of all the evidence introduced. Notwithstanding section 104 of this 2017 Act, the evidence introduced in the tax court constitutes a public record and shall be available to the parties and the tax court. The determination of the tax court is binding on all individuals made parties to the action under this subsection.

(e) This subsection may not be construed to preclude a determination by the department or the tax court that more than one officer or employee is jointly and severally liable for unpaid transportation project taxes.

SECTION 100. Purchaser's duties to remit use and excise tax. Any purchaser liable for the use tax imposed under section 91 of this 2017 Act or the excise tax imposed under section 92 of this 2017 Act and from whom the tax has not been collected shall, on or before the 20th day of the month following the close of the month in which the tax became due, file with the Department of Revenue a report of the amount of tax due from the purchaser in a form and manner prescribed by the department. The purchaser shall remit the amount of tax due with the report.

SECTION 101. Records. (1)(a) A seller of taxable vehicles shall keep receipts, invoices and other pertinent records related to retail sales of taxable vehicles in the form required by the Department of Revenue. Each record shall be preserved for five years from the time to which the record relates, or for as long as the seller retains the taxable vehicles to which the record relates, whichever is later.

(b) During the retention period and at any time prior to the destruction of records, the department may give written notice to the seller not to destroy records described in the notice without written permission of the department.

(c) Notwithstanding any other provision of law, the department shall preserve reports and returns filed with the department for at least five years.

(2) ORS 314.425 applies to the authority of the Department of Revenue to examine, or cause to be examined by an agent or representative designated by the department for the purpose, any books, papers, records or memoranda bearing upon the matter required to be included in any return required under sections 89 to 111 of this 2017 Act for the purpose of ascertaining the correctness of the return or for the purpose of making an estimate of the taxable sales of the taxpayer.

SECTION 102. Subpoenas; enforcement. (1) The Department of Revenue may, by order or subpoena to be served with the same force and effect and in the same manner as a subpoena is served in a civil action in the circuit court or the Oregon Tax Court, require the production at any time and place the department designates of any books, papers, accounts or other information necessary to carry out sections 89 to 111 of this 2017 Act. The department may require the attendance of any individual having knowledge in the premises, and may take testimony and require proof material for the information, with power to administer oaths to the individual.

(2)(a) If an individual fails to comply with a subpoena or order of the department or to produce or permit the examination or inspection of any books, papers, records and equipment pertinent to an investigation or inquiry under sections 89 to 111 of this 2017 Act, or to testify to any matter regarding which the individual is lawfully interrogated, the department may apply to the Oregon Tax Court or to the circuit court of the county in which the individual resides or where the individual is for an order to the individual to attend and testify or otherwise comply with the demand or request of the department.

(b) The department shall apply to the court by ex parte motion, upon which the court shall make an order requiring the individual against whom the motion is directed to comply with the request or demand of the department within 10 days after the service of the order, or within the additional time granted by the court, or to justify the failure within that time. The order shall be served upon the individual to whom it is directed in the manner required by this state for service of process, which is required to confer jurisdiction upon the court.

(3) Failure to obey any order issued by the court under this section is contempt of court.

(4) The remedy provided by this section is in addition to other remedies, civil or criminal, existing under the tax laws or other laws of this state.

SECTION 103. Disclosure of information; appeals. (1) Notwithstanding the confidentiality provisions of section 104 of this 2017 Act, the Department of Revenue may disclose information received under sections 89 to 111 of this 2017 Act to the Department of Transportation for the purposes of carrying out the provisions of sections 91 and 109 of this 2017 Act.

(2) The Department of Transportation may disclose information obtained under sections 91 and 109 of this 2017 Act to the Department of Revenue for the purposes of carrying out the provisions of sections 89 to 111 of this 2017 Act.

(3) Except as otherwise provided in sections 89 to 111 of this 2017 Act, a person aggrieved by an act or determination of the Department of Revenue or its authorized agent under sections 89 to 111 of this 2017 Act may appeal, within 90 days after the act or determination, to the Oregon Tax Court in the manner provided in ORS 305.404 to 305.560. These appeal rights are the exclusive remedy available to determine the person's liability for the transportation project taxes.

SECTION 104. Applicability of other provisions of tax law. Except as otherwise provided in sections 89 to 111 of this 2017 Act or where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and examination of returns, periods of limitation, determinations of and notices of deficiencies, assessments, collections, liens, delinquencies, claims for refund and refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality of returns and the related penalties, and the related

procedures, apply to the determinations of taxes, penalties and interest under sections 89 to 111 of this 2017 Act.

SECTION 105. Department of Revenue to administer and enforce laws. (1) The Department of Revenue shall administer and enforce sections 89 to 111 of this 2017 Act.

(2) The department may adopt or establish rules and procedures that the department considers necessary or appropriate for the implementation, administration and enforcement of sections 89 to 111 of this 2017 Act and that are consistent with sections 89 to 111 of this 2017 Act.

(3) The Department of Transportation shall enter into an agreement with the Department of Revenue for purposes of the implementation, administration and enforcement by the Department of Transportation of those provisions of section 109 of this 2017 Act, and rules or procedures adopted or established by the Department of Revenue under this section, that the Department of Transportation and the Department of Revenue determine are necessary for the effective and efficient implementation, administration and enforcement of section 109 of this 2017 Act.

SECTION 106. Department of Transportation assistance in use tax collection responsibilities. (1) The Department of Revenue and the Department of Transportation shall enter into an agreement pursuant to which the Department of Transportation shall assist the Department of Revenue in the collection of the use tax imposed under section 91 of this 2017 Act and any other functions of the Department of Revenue under sections 89 to 111 of this 2017 Act as may be provided under the agreement.

(2) The agreement is not intended to preclude performance by the Department of Revenue of collection functions as from time to time may be required, nor is the agreement intended to preclude the performance of functions by the Department of Transportation, under less formal arrangements made with the Department of Revenue, with respect to the use tax imposed under section 91 of this 2017 Act if the functions are not specifically mentioned in the agreement.

(3) The Department of Transportation may contact, consult with and enter into agreements with any public or private person for the purpose of assisting the Department of Revenue in the collection of the use tax under this section.

(4) The collection of taxes under sections 89 to 111 of this 2017 Act by the Department of Transportation does not render the Department of Transportation or the agents and employees of the Department of Transportation responsible for collection of the taxes.

SECTION 107. Applicability. Sections 89 to 111 of this 2017 Act apply to sales of taxable vehicles that become final, and the storage, use or other consumption in this state of taxable vehicles that becomes taxable, on or after January 1, 2018.

SECTION 108. Section 109 of this 2017 Act is added to and made a part of the Oregon Vehicle Code.

SECTION 109. Vehicle registration and titling; proof of payment of taxes. (1) A person that purchases a taxable motor vehicle from a seller that is not subject to the privilege tax imposed under section 90 of this 2017 Act may not register or title the taxable motor vehicle in Oregon unless the person provides proof that the person:

(a) Paid the use tax imposed under section 91 of this 2017 Act; or
(b) Is not required to pay the use tax for the reasons provided in section 91 (4) of this 2017 Act.

(2) The person shall provide the proof described in subsection (1) of this section to the Department of Transportation in the manner established by the department by rule.

SECTION 110. Applicability. Section 109 of this 2017 Act applies to taxable motor vehicles purchased on or after January 1, 2018.

SECTION 111. Tax moratorium. (1) A local government may not impose a tax described in subsection (2) of this section unless the tax is:

(a) Authorized by statute; or

(b) Approved by the governing body of the local government and in effect on or before the effective date of this 2017 Act.

(2) This section applies to:

(a) A tax on the privilege of engaging in the business of selling taxable motor vehicles at retail; and

(b) Any other privilege, excise, sales or use tax on taxable motor vehicles.

SECTION 111a. Not later than September 15, 2019, and September 15, 2021, the Department of Transportation shall submit reports in the manner required under ORS 192.245 to the Joint Committee on Transportation established under section 26 of this 2017 Act describing in detail the enforcement by the department of the provisions of ORS chapter 822 governing the certification of vehicle dealers.

SECTION 112. Legislative intent; expedited judicial review to Supreme Court; expiration.

(1) It is the intent of the Legislative Assembly that revenue from the privilege tax imposed under section 90 of this 2017 Act is not subject to the provisions of Article IX, section 3a, of the Oregon Constitution.

(2) Original jurisdiction to determine whether section 90 of this 2017 Act imposes a tax or excise levied on the ownership, operation or use of motor vehicles that is subject to the provisions of Article IX, section 3a, of the Oregon Constitution, is conferred on the Supreme Court.

(3)(a) Any person interested in or affected or aggrieved by section 90 of this 2017 Act may petition for judicial review under this section. A petition for review must be filed within 30 days after the effective date of this 2017 Act.

(b) The petition must state facts showing how the petitioner is interested, affected or aggrieved and the grounds upon which the petition is based.

(4) The filing of a petition under this section shall stay the transfer under section 96 (2)(a) of this 2017 Act of the balance of moneys received, pending the determination of the Supreme Court. The Supreme Court may not stay the imposition of the tax under section 90 of this 2017 Act or the collection and enforcement of the tax under any provision of law.

(5) Judicial review under this section shall be limited to:

(a) The provisions of this 2017 Act authorizing the imposition of the privilege tax; and

(b) The legislative history and any supporting documents related to Article IX, section 3a, of the Oregon Constitution.

(6) In the event the Supreme Court determines that there are factual issues in the petition, the Supreme Court may appoint a special master to hear evidence and to prepare recommended findings of fact.

(7) Proceedings for review under this section shall be given priority over all other matters before the Supreme Court.

(8) If the Supreme Court determines that section 90 of this 2017 Act imposes a tax or excise levied on the ownership, operation or use of motor vehicles that is subject to the provisions of Article IX, section 3a, of the Oregon Constitution, sections 90 and 91 of this 2017 Act are repealed and moneys from the privilege tax imposed under section 90 of this 2017 Act that, as of the date of the determination, have not been expended or irrevocably pledged for repayment of bonded indebtedness shall be transferred to the State Highway Fund.

NOTE: Sections 113 and 114 were deleted by amendment. Subsequent sections were not re-numbered.

SECTION 115. ORS 305.992 is amended to read:

305.992. (1) If any returns required to be filed under ORS 475B.700 to 475B.760 or sections 89 to 111 of this 2017 Act or ORS chapter 118, 314, 316, 317, 318, 321 or 323 or under a local tax administered by the Department of Revenue under ORS 305.620 are not filed for three consecutive years by the due date (including extensions) of the return required for the third consecutive year,

there shall be a penalty for each year of 100 percent of the tax liability determined after credits and prepayments for each such year.

(2) The penalty imposed under this section is in addition to any other penalty imposed by law. However, the total amount of penalties imposed for any taxable year under this section, ORS 305.265 (13), 314.400, 323.403, 323.585 or 475B.755 may not exceed 100 percent of the tax liability.

SECTION 116. ORS 366.505 is amended to read:

366.505. (1) The State Highway Fund shall consist of:

(a) All moneys and revenues derived under and by virtue of the sale of bonds, the sale of which is authorized by law and the proceeds thereof to be dedicated to highway purposes.

(b) All moneys and revenues accruing from the licensing of motor vehicles, operators and chauffeurs.

(c) Moneys and revenues derived from any tax levied upon gasoline, distillate, liberty fuel or other volatile and inflammable liquid fuels, except moneys and revenues described in ORS 184.642 (2)(a) that become part of the Department of Transportation Operating Fund.

(d) Moneys and revenues derived from the road usage charges imposed under ORS 319.885.

(e) Moneys and revenues derived from the use tax imposed under section 91 of this 2017 Act.

~~[(e)]~~ **(f)** Moneys and revenues derived from or made available by the federal government for road construction, maintenance or betterment purposes.

~~[(f)]~~ **(g)** All moneys and revenues received from all other sources which by law are allocated or dedicated for highway purposes.

(2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from the General Fund, and may be used only for the purposes authorized by law and is continually appropriated for such purposes.

(3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857. All interest earnings on any of the funds designated in subsection (1) of this section shall be placed to the credit of the highway fund.

SECTION 117. ORS 803.585 is amended to read:

803.585. (1) Except as otherwise provided in this section or ORS 801.041 or 801.042, the registration fees under the vehicle code are in lieu of all other taxes and licenses, except municipal license fees under regulatory ordinances, ~~[to which such]~~ **imposed on vehicles [or], the owners [thereof may be subject] of such vehicles or the use of or any privilege related to such vehicles.** Fixed load vehicles are not exempt from ad valorem taxation by this section.

(2) Travel trailers subject to registration and titling under the vehicle code are not subject to ad valorem taxation, but may be reclassified as manufactured structures and made subject to taxation as provided in ORS 308.880.

(3) This section does not apply to the privilege tax imposed under section 90 of this 2017 Act or the use tax imposed under section 91 of this 2017 Act.

SECTION 118. ORS 319.885 is amended to read:

319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(2) The per-mile road usage charge is ~~[1.5 cents per mile.]~~:

(a) For the calendar year beginning on January 1, 2018, 1.7 cents per mile.

(b) For the calendar year beginning on January 1, 2020, 1.8 cents per mile.

(c) For the calendar year beginning on January 1, 2022, 1.9 cents per mile.

SECTION 118a. ORS 319.885, as amended by section 118 of this 2017 Act, is amended to read:

319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(2) The per-mile road usage charge is[:] **2.1 cents per mile.**

[(a) For the calendar year beginning on January 1, 2018, 1.7 cents per mile.]

[(b) For the calendar year beginning on January 1, 2020, 1.8 cents per mile.]

[(c) For the calendar year beginning on January 1, 2022, 1.9 cents per mile.]

SECTION 118b. The amendments to ORS 319.885 by section 118a of this 2017 Act apply to metered use by subject vehicles of the highways in Oregon on or after January 1, 2024.

SECTION 118c. ORS 319.890 is amended to read:

319.890. (1) A person wishing to pay the per-mile road usage charge imposed under ORS 319.885 must apply to the Department of Transportation on a form prescribed by the department.

(2) The department shall approve a valid and complete application submitted under this section if:

(a) The applicant is the registered owner or lessee of a motor vehicle;

(b) The motor vehicle is equipped with a method selected pursuant to ORS 319.900 for collecting and reporting the metered use by the motor vehicle of the highways in Oregon;

(c) The motor vehicle has a gross vehicle weight rating of 10,000 pounds or less; and

(d) Approval does not cause the number of subject vehicles active in the road usage charge program on the date of approval to exceed 5,000, of which no more than 1,500 may have a rating of less than 17 miles per gallon and no more than 1,500 may have a rating of at least 17 miles per gallon and less than 22 miles per gallon, such ratings to be determined pursuant to a method established by the department.

(3) An electric vehicle for which an application is approved under this section is not subject to the additional amount of registration fees imposed under section 32 of this 2017 Act.

[(3)] (4) Approval of an application under this section subjects the applicant to the requirements of ORS 319.920 until the person ends the person's voluntary participation in the road usage charge program in the manner required under subsection [(4)] (5) of this section.

[(4)] (5) A person may end the person's voluntary participation in the road usage charge program at any time by notifying the department, returning any emblem issued under ORS 319.945 to the department and paying any outstanding amount of road usage charge for metered use by the person's subject vehicle.

TRAFFIC CONGESTION RELIEF

SECTION 119. Feasibility study of highway cost allocation study within certain political subdivisions. (1) The Oregon Department of Administrative Services shall conduct a study to determine the feasibility of performing a highway cost allocation study within the boundaries of a county, Metro and Tri-Met, but otherwise as described in ORS 366.506, with respect to revenue raised within the county, Metro and Tri-Met, respectively, that is subject to Article IX, section 3a (3), of the Oregon Constitution. The department may consult with any public or private body the department considers necessary or appropriate for conducting the study required under this section.

(2) The department shall submit a report, in the manner provided in ORS 192.245, containing the results of the study required under this section to the Joint Committee on Transportation established under section 26 of this 2017 Act not later than September 15, 2018.

(Traffic Congestion Relief Program)

SECTION 120. (1) The Oregon Transportation Commission shall establish a traffic congestion relief program.

(2) No later than December 31, 2018, the commission shall seek approval from the Federal Highway Administration, if required by federal law, to implement value pricing as described in this section.

(3) After seeking and receiving approval from the Federal Highway Administration, the commission shall implement value pricing to reduce traffic congestion. Value pricing may include, but is not limited to, variable time-of-day pricing. The commission shall implement value pricing in the following locations:

(a) On Interstate 205, beginning at the Washington state line and ending where it intersects with Interstate 5 in this state.

(b) On Interstate 5, beginning at the Washington state line and ending where it intersects with Interstate 205.

(4) In addition to areas listed in subsection (3) of this section, the commission may implement value pricing in other areas of this state.

(5) Notwithstanding ORS 383.009, the revenues received from value pricing under this section shall be deposited into the Congestion Relief Fund established under section 120a of this 2017 Act for the implementation and administration of the congestion relief program established pursuant to this section, including but not limited to the Value Pricing Set-Up Project.

(6) Subject to any restrictions in an agreement with the Federal Highway Administration or other federal law, in addition to the amounts received from value pricing under this section, the moneys in the Congestion Relief Fund shall be used to implement and administer the traffic congestion relief program.

(7) Before imposing value pricing, the commission shall report to the Joint Committee on Transportation established under section 26 of this 2017 Act.

(8) The commission may enter into agreements with the State of Washington, or the State of Washington's designee, relating to establishing, reviewing, adjusting and collecting tolls for the program described in this section.

SECTION 120a. Congestion Relief Fund. (1) The Congestion Relief Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Congestion Relief Fund shall be credited to the fund.

(2) The Congestion Relief Fund consists of:

(a) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

(b) Notwithstanding ORS 383.009 (1)(d), net proceeds of tolls imposed under section 120 of this 2017 Act;

(c) Moneys received from federal sources or other state or local sources, other than proceeds of Highway User Tax Bonds issued under ORS 367.615;

(d) Amounts donated to the fund;

(e) Investment earnings received on moneys in the fund; and

(f) Other amounts deposited in the fund from any source.

(3) Moneys in the fund are continuously appropriated to the Department of Transportation for distribution to the Oregon Transportation Commission for the purposes of implementing and administering the congestion relief program established pursuant to section 120 of this 2017 Act.

(4) The Department of Transportation may receive gifts, grants, contributions, bequests or other donations of any kind from any public or private source for deposit in the Congestion Relief Fund.

(5) Moneys in the Congestion Relief Fund may be invested and reinvested as provided in ORS 293.701 to 293.857.

(Task Force on Mega Transportation Projects)

SECTION 121. (1) The Task Force on Mega Transportation Projects is established. For the purposes of this section, a “mega transportation project” includes transportation projects, as defined in ORS 367.010, that cost at least \$360 million to complete, that attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community or environment or that require a high level of attention to manage the project successfully.

(2) The task force consists of nine members appointed as follows:

(a) The President of the Senate shall appoint two members from among members of the Senate.

(b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives.

(c) The Governor shall appoint three members who represent highway users.

(d) The chairperson of the Oregon Transportation Commission shall appoint two members from among members of the commission.

(3) The task force shall study how the State of Oregon selects and approves mega transportation projects.

(4) Members of the Legislative Assembly appointed to the task force are nonvoting members of the task force and may act in an advisory capacity only.

(5) A majority of the voting members of the task force constitutes a quorum for the transaction of business.

(6) Official action by the task force requires the approval of a majority of the voting members of the task force.

(7) The task force shall elect one of its members to serve as chairperson.

(8) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(9) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the members of the task force.

(10) The task force may adopt rules necessary for the operation of the task force.

(11) The task force shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Transportation established under section 26 of this 2017 Act no later than September 15, 2018.

(12) The Legislative Policy and Research Director shall provide staff support to the task force.

(13) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of the task force’s duties and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the task force consider necessary to perform their duties.

SECTION 122. Section 121 of this 2017 Act is repealed on December 31, 2018.

PUBLIC TRANSPORTATION AND PUBLIC SAFETY (Public Transit)

SECTION 122a. (1) As used in this section:

(a) “Employer” has the meaning given that term in ORS 316.162.

(b) “Resident of this state” has the meaning given that term in ORS 316.027.

(c) “Wages” has the meaning given that term in ORS 316.162.

(2) A tax is imposed at the rate of one-tenth of one percent of:

(a) The wages of an employee who is:

(A) A resident of this state, regardless of where services are performed.

(B) Not a resident of this state, for services performed in this state.

(b) The periodic payments under ORS 316.189.

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of wages, without exemption or deduction, multiplied by the rate of tax imposed under subsection (2) of this section.

(4) Every payer at the time of making a periodic payment under ORS 316.189 shall deduct and withhold from the payment an amount equal to the total amount of the payment, without exemption or deduction, multiplied by the rate of tax imposed under subsection (2) of this section.

(5) An employer or payer shall report and pay the tax imposed under this section to the Department of Revenue at the time and in the manner determined by the department by rule.

(6) For purposes of the tax imposed under this section, an employer or payer is considered a taxpayer.

(7) If a lender, surety or other person who supplies funds to or for the account of an employer for the purpose of paying wages of the employees of such employer has actual notice or knowledge that such employer does not intend to or will not be able to make timely payment or deposit of the tax required to be deducted and withheld, such lender, surety or other person shall be liable to the State of Oregon in a sum equal to the taxes, together with interest, that are not timely paid over to the Department of Revenue. Such liability shall be limited to the principal amount supplied by the lender, surety or other person, and any amounts so paid to the department shall be credited against the liability of the employer.

(8)(a) An employer or payer shall submit an annual return pursuant to ORS 316.202 to the Department of Revenue. The amounts deducted from the wages during any calendar year in accordance with this section shall be considered to be in payment of the tax imposed under subsection (2) of this section.

(b) The return submitted by the employer shall be accepted by the Department of Revenue as evidence in favor of the employee of the amounts so deducted from the employee's wages.

(9) Nothing in this section prohibits the Department of Revenue from including the tax imposed under this section in the combined quarterly tax report required under ORS 316.168.

(10) An employer that fails to deduct and withhold the tax required under this section:

(a) Is deemed responsible for the payment of the tax obligation in an amount equal to the amount required to be withheld from the employee's wages and remitted to the Department of Revenue; and

(b) Is subject to a penalty of \$250 per employee, up to a maximum penalty of \$25,000, if the employer knowingly fails to deduct and withhold the tax.

(11) Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax at the time and in the manner determined by the Department of Revenue by rule.

SECTION 122b. ORS 316.164 is amended to read:

316.164. (1) Except as provided in subsection (3) of this section, if the Department of Revenue makes the findings required under subsection (2) of this section, the department may require any employer subject to ORS 316.162 to 316.221, except the state or its political subdivisions, to post a surety bond, or irrevocable letter of credit issued by an insured institution, as defined in ORS 706.008, with the department, to secure future payment of amounts required to be withheld and paid over to the department under ORS 316.162 to 316.221 **or section 122a of this 2017 Act**. The bond or letter of credit shall be in an amount equal to the amounts required to be withheld upon the wages paid or estimated to be paid by the employer for a period of four calendar quarters. The bond or letter of credit shall be in a form acceptable to the department. Posting of the bond or letter of credit shall not relieve the employer from withholding and paying over amounts based on wages paid

by the employer under any provision of ORS 316.162 to 316.221 **or section 122a of this 2017 Act**. The department may, in its discretion, at any time apply such bond or letter of credit or part thereof to the delinquencies or indebtedness of the employer arising under any provision of ORS 316.162 to 316.221 **and section 122a of this 2017 Act** and accruing after the date the bond or letter of credit was posted. Appeal of an action of the department under this section shall not relieve an employer of the requirement during the pendency of the appeal.

(2) Before requiring an employer to post a bond or irrevocable letter of credit under subsection (1) of this section, the department shall determine that the employer has failed to make payment to the department of amounts required to be withheld and paid over under any provision of ORS 316.162 to 316.221 **or section 122a of this 2017 Act** for at least three calendar quarters, and the total amount of delinquent payments exceeds \$2,500, exclusive of interest or penalties. For purposes of this subsection, a payment shall not be considered delinquent if the employer's liability to withhold is subject to appeal to the tax court.

(3) The department shall not require a bond or irrevocable letter of credit to be posted under this section if the employer elects to notify the department of the times of payment of wages to the employees of the employer, and, notwithstanding ORS 316.197, to pay over amounts withheld within three banking days after the dates the wages were paid.

(4) Before requiring an employer to post a bond or irrevocable letter of credit or make payment of amounts required to be withheld in the manner prescribed in subsection (3) of this section, the department shall attempt to obtain payment of delinquent amounts through other methods of collection, however, the department is not required to seize or sell real or personal property in order to comply with the requirements of this subsection.

(5) Any bond or irrevocable letter of credit required under subsection (1) of this section shall become the sole property of the department and shall be held by the department to guarantee payment of withholding taxes by the employer. The bond or letter of credit shall be held for the benefit of the State of Oregon, subject only to the provisions of subsection (6) of this section. The bond or letter of credit shall be prior to all other liens, claims or encumbrances and shall be exempt from any process, attachment, garnishment or execution.

(6) If an employer ceases to be an employer subject to ORS 316.162 to 316.221 **or section 122a of this 2017 Act**, the department shall, upon receipt of all payments due from the employer for withheld amounts, cancel any bond or irrevocable letter of credit given under this section. Such bonds or letters of credit held for the benefit of the State of Oregon shall first be applied to any indebtedness or deficiencies due from the employer under ORS 316.162 to 316.221 **and section 122a of this 2017 Act** and accruing after the date the bond or letter of credit was posted before any return is made to the employer. The employer shall have no interest in such bond or letter of credit prior to full compliance with this section and all provisions of ORS 316.162 to 316.221 **and section 122a of this 2017 Act**.

(7) If an employer required to post a bond or irrevocable letter of credit or make payment of amounts withheld in the manner prescribed under this section makes full payment of all delinquent amounts due and owing at the time the bond, letter of credit or accelerated payment schedule was required and makes payment of amounts due under ORS 316.162 to 316.221 **and section 122a of this 2017 Act** and files returns required in connection with those payments in a timely manner for the succeeding four calendar quarters, the department shall release the employer from the requirement to post the bond or letter of credit or make accelerated payments of amounts withheld.

(8) If any employer fails to comply with subsections (1) to (7) of this section, the Oregon Tax Court, upon commencement of an action by the department for that purpose, may order the employer to post the required bond or irrevocable letter of credit or make accelerated payments of amounts withheld. The employer's failure to obey an order of the court is punishable by contempt. If the Oregon Tax Court determines that an order of compliance enforceable by contempt proceedings will not assure the payment of withheld taxes by the employer, the court may enjoin the employer from further employing individuals in this state or continuing in business therein until the employer has complied with subsections (1) to (7) of this section.

SECTION 122c. ORS 316.169 is amended to read:

316.169. (1) If a lender, surety or other person who is not an employer with respect to an employee pays wages directly to the employee, or to an agent on behalf of the employee, the lender, surety or other person shall deduct and retain from the wages, and shall be liable to this state for, an amount equal to the amount required to be withheld from the employee's wages by the employer under ORS 316.167 **and section 122a of this 2017 Act.**

(2) A lender, surety or other person described under this section shall file a combined quarterly tax report and make payment of the tax or assessment that is due in the time and manner prescribed for employers under ORS 316.168.

(3) Amounts paid under this section shall be credited against the liability of the employer under ORS 316.167 **and section 122a of this 2017 Act.**

(4) A lender, surety or other person described under this section shall be considered to be an employer with respect to withholdings made under this section or required to be made under this section for purposes of ORS 316.191, 316.197, 316.202, 316.207 and 316.212 **and section 122a of this 2017 Act.**

(5) The employer of an employee that receives wages from a lender, surety or other person shall not be discharged from any liability or other obligation under ORS 316.162 to 316.221 **or section 122a of this 2017 Act** except as provided for in subsection (3) of this section.

SECTION 122d. ORS 316.189 is amended to read:

316.189. (1) As used in this section:

(a) "Commercial annuity" means an annuity, endowment or life insurance contract issued by an insurance company authorized to transact insurance in the State of Oregon.

(b) "Department" means the Oregon Department of Revenue.

(c) "Designated distribution" means any distribution or payment from or under an employer deferred compensation plan, an individual retirement plan or a commercial annuity. "Designated distribution" does not include any amount treated as wages as defined in ORS 316.162, the portion of any distribution or payment that is not includable in the gross income of the recipient or any distribution or payment made under section 404(k)(2) of the Internal Revenue Code.

(d) "Employer deferred compensation plan" means any pension, annuity, profit-sharing or stock bonus plan or other plan deferring the receipt of compensation.

(e) "Individual retirement plan" means an individual retirement account described in section 408(a) of the Internal Revenue Code or an individual retirement annuity described in section 408(b) of the Internal Revenue Code.

(f) "Nonperiodic distribution" means any designated distribution which is not a periodic payment.

(g) "Payer" means any payer of a designated distribution doing business in or making payments or distributions from sources in this state.

(h) "Periodic payment" means a designated distribution which is an annuity or similar periodic payment.

(i) "Plan administrator" means a plan administrator as described in section 414(g) of the Internal Revenue Code, who is the administrator of a plan created by an Oregon employer.

(j) "Qualified total distribution" means any designated distribution made under a retirement, annuity or deferred compensation plan described in section 401(a), 403(a) or 457(b) of the Internal Revenue Code, that consists of the balance to the credit of the employee, exclusive of accumulated deductible employee contributions, made within one tax year of the recipient.

(2)(a) The payer of any periodic payment shall withhold from such payment the amount which would be required to be withheld from such payment under ORS 316.167 **or section 122a of this 2017 Act** if the payment were wages paid by an employer to an employee. The time and manner of payment of withheld amounts to the department shall be the same as that required under ORS 316.197 for withholding of income taxes from wages.

(b) The payer of any nonperiodic distribution shall withhold from such distribution an amount determined under tables prescribed by the department.

(c) The maximum amount to be withheld under this section on any designated distribution shall not exceed 10 percent of the amount of money and the fair market value of other property received in the distribution. If the distribution is not subject to withholding for federal income tax purposes under section 3405 of the Internal Revenue Code, it shall not be subject to withholding under this section.

(3)(a) Except as provided in paragraph (b) of this subsection, the payer of a designated distribution shall withhold and be liable for payment of amounts required to be withheld under this section.

(b) In the case of any plan described in section 401(a), 403(a) or 457(b) of the Internal Revenue Code, or section 301(d) of the Tax Reduction Act of 1975, the plan administrator shall withhold and be liable for payment of amounts required to be withheld under this section, unless the plan administrator has directed the payer to withhold the tax and has provided the payer with the information required by rule of the department.

(4)(a) An individual may elect to have no withholding by a payer under subsection (2) of this section. If an individual has elected to have no federal withholding from payments or distributions described in this section the individual shall be deemed to have elected no withholding for state purposes, unless the individual notifies the payer otherwise.

(b) An election made under this subsection shall be effective as provided under rules promulgated by the department. The rules required under this paragraph shall provide the manner in which an election may be revoked and when such revocation shall be effective.

(c) An election made under this subsection does not apply to amounts required to be withheld under section 122a of this 2017 Act.

(5) The payer of any periodic payment or nonperiodic distribution shall give notice to the payee of the right to make an election to have no state withholding from the payment or distribution. The department shall provide by rule for the time and manner of giving the notice required under this subsection.

(6) Any rules permitted or required to be promulgated by the department under this section shall, insofar as is practicable, be consistent with corresponding provisions of section 3405 of the Internal Revenue Code and regulations promulgated thereunder.

(7) Any designated distribution shall be treated as if it were wages paid by an employer to an employee within the meaning of ORS 316.162 to 316.221 **and section 122a of this 2017 Act** for all other purposes of ORS 316.162 to 316.221 **and section 122a of this 2017 Act**. In the case of any designated distribution not subject to withholding by reason of an election under subsection (4) of this section, the amount withheld shall be treated as zero.

SECTION 122e. ORS 316.197 is amended to read:

316.197. (1)(a) Except as provided under ORS 316.191 or paragraph (b) of this subsection, within the time that each employer is required to pay over taxes withheld for federal income tax purposes for any period, the employer shall pay over to the Department of Revenue or to a financial agent of the department the amounts required to be withheld under ORS 316.167 and 316.172 **and section 122a of this 2017 Act** for the same period. Any employer not required to withhold federal income taxes for any period but who is required to deduct and retain amounts from wages paid to an employee under ORS 316.167 and 316.172 **and section 122a of this 2017 Act** for the same period shall pay over to the department, or financial agent of the department, taxes withheld for the period, within the time and in the manner, as if the employer were required to withhold taxes for the period under federal law.

(b) Notwithstanding the provisions of paragraph (a) of this subsection, any employer of agricultural employees who is not required to withhold federal income taxes for any period but who is required to deduct and retain amounts from wages paid to those employees under ORS 316.167 and 316.172 shall pay over to the department, or financial agent of the department, taxes so withheld at the same time and for the same period for which the employer is required to pay over employer and employee taxes under chapter 21 of the Internal Revenue Code (Federal Insurance Contributions Act).

(2) Every amount so paid over shall be accounted for as part of the collections under this chapter. No employee has any right of action against an employer in respect of any moneys deducted from wages and paid over in compliance or intended compliance with this section.

(3) If any amount required to be withheld and paid over to the department is delinquent, interest shall accrue at the rate prescribed under ORS 305.220 on that amount from the last day of the month following the end of the calendar quarter within which the amount was required to be paid to the department to the date of payment. The provisions of this subsection shall not relieve any employer from liability for a late payment penalty under any other provision of law.

SECTION 122f. ORS 316.202 is amended to read:

316.202. (1) With each payment made to the Department of Revenue, every employer shall deliver to the department, on a form prescribed by the department showing the total amount of withheld taxes in accordance with ORS 316.167 and 316.172 **and section 122a of this 2017 Act**, and supply such other information as the department may require. The employer is charged with the duty of advising the employee of the amount of moneys withheld, in accordance with such regulations as the department may prescribe, using printed forms furnished or approved by the department for such purpose.

(2) Except as provided in subsection (4) of this section, every employer shall submit a combined quarterly return to the department on a form provided by it showing the number of payments made, the withheld taxes paid during the quarter and an explanation of federal withholding taxes as computed by the employer. The report shall be filed with the department on or before the last day of the month following the end of the quarter.

(3) The employer shall make an annual return to the department on forms provided or approved by it, summarizing the total compensation paid and the taxes withheld for all employees during the calendar year and shall file the same with the department on or before the due date of the corresponding federal return for the year for which report is made. Failure to file the annual report without reasonable excuse on or before the 30th day after notice has been given to the employer of failure subjects the employer to a penalty of \$100. The department may by rule require additional information the department finds necessary to substantiate the annual return, including but not limited to copies of federal form W-2 for individual employees, and may prescribe circumstances under which the filing requirement imposed by this subsection is waived.

(4) Notwithstanding the provisions of subsection (2) of this section, employers of agricultural employees may submit returns annually showing the number of payments made and the withheld taxes paid. However, such employers shall make and file a combined quarterly tax report with respect to other tax programs, as required by ORS 316.168.

(5) In addition to any other penalty required by law:

(a) A person who fails to substantiate a report required under subsection (3) of this section, or who files incomplete or incorrect substantiation, shall be subject to a penalty of \$50 per federal form W-2 after the date on which the substantiation is due, up to a maximum penalty of \$2,500.

(b) A person who knowingly fails to substantiate a report required under subsection (3) of this section, or who knowingly files incomplete or incorrect substantiation, shall be subject to a penalty of \$250 per federal form W-2 after the date on which the substantiation is due, up to a maximum penalty of \$25,000.

SECTION 122g. ORS 316.207 is amended to read:

316.207. (1) Every employer who deducts and retains any amount under ORS 316.162 to 316.221 **and section 122a of this 2017 Act** shall hold the same in trust for the State of Oregon and for the payment thereof to the Department of Revenue in the manner and at the time provided in ORS 316.162 to 316.221.

(2) At any time the employer fails to remit any amount withheld, the department may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. Such warrant shall be issued, recorded and proceeded upon in the same manner and shall have the same force and effect as is prescribed with respect to warrants for the collection of delinquent income taxes.

(3)(a) In the case of an employer that is assessed pursuant to the provisions of ORS 305.265 (12) and 314.407 (1), the department may issue a notice of liability to any officer, employee or member described in ORS 316.162 (3)(b) of such employer within three years from the time of assessment. Within 30 days from the date the notice of liability is mailed to the officer, employee or member, such officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the liability and, if desired, request a conference. Any conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues considering the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of liability. Within 90 days from the date the conference letter is mailed to the officer, employee or member, such officer, employee or member shall pay the assessment, plus penalties and interest, or appeal to the tax court in the manner provided for an appeal from a notice of assessment.

(c) If neither payment nor written objection to the notice of liability is received by the department within 30 days after the notice of liability has been mailed, the notice of liability becomes final. In such event, the officer, employee or member may appeal the notice of liability to the tax court within 90 days after it became final in the manner provided for an appeal from a notice of assessment.

(4)(a) In the case of a failure to file a withholding tax report on the due date, governed by the provisions of ORS 305.265 (10) and 314.400, the department, in addition to the provisions of ORS 305.265 (10) and 314.400, may send notices of determination and assessment to any officer, employee or member described in ORS 316.162 (3)(b) any time within three years after the assessment of an employer described in ORS 316.162 (3)(a). The time of assessment against such officer, employee or member shall be 30 days after the date the notice of determination and assessment is mailed. Within 30 days from the date the notice of determination and assessment is mailed to the officer, employee or member, such officer, employee or member shall pay the assessment, plus penalties and interest, or advise the department in writing of objections to the assessment, and if desired, request a conference. Any conference shall be governed by the provisions of ORS 305.265 pertaining to a conference requested from a notice of deficiency.

(b) After a conference or, if no conference is requested, a determination of the issues considering the written objections, the department shall mail the officer, employee or member a conference letter affirming, canceling or adjusting the notice of determination and assessment. Within 90 days from the date the conference letter is mailed to the officer, employee or member, such officer, employee or member shall pay the assessment, plus penalties and interest, or appeal in the manner provided for an appeal from a notice of assessment.

(c) If neither payment nor written objection to the notice of determination and assessment is received by the department within 30 days after the notice of determination and assessment has been mailed, the notice of determination and assessment becomes final. In such event, the officer, employee or member may appeal the notice of determination and assessment to the tax court within 90 days after it became final in the manner provided for an appeal from a notice of assessment.

(5)(a) More than one officer or employee of a corporation may be held jointly and severally liable for payment of withheld taxes.

(b) Notwithstanding the provisions of ORS 314.835, 314.840 or 314.991, if more than one officer or employee of a corporation may be held jointly and severally liable for payment of withheld taxes, the department may require any or all of the officers, members or employees who may be held liable to appear before the department for a joint determination of liability. The department shall notify each officer, member or employee of the time and place set for the determination of liability.

(c) Each person notified of a joint determination under this subsection shall appear and present such information as is necessary to establish that person's liability or nonliability for payment of withheld taxes to the department. If any person notified fails to appear, the department shall make

its determination on the basis of all the information and evidence presented. The department's determination shall be binding on all persons notified and required to appear under this subsection.

(d)(A) If an appeal is taken to the Oregon Tax Court pursuant to ORS 305.404 to 305.560 by any person determined to be liable for unpaid withholding taxes under this subsection, each person required to appear before the department under this subsection shall be impleaded by the plaintiff. The department may implead any officer, employee or member who may be held jointly and severally liable for the payment of withheld taxes. Each person impleaded under this paragraph shall be made a party to the action before the tax court and shall make available to the tax court such information as was presented before the department, as well as such other information as may be presented to the court.

(B) The court may determine that one or more persons impleaded under this paragraph are liable for unpaid withholding taxes without regard to any earlier determination by the department that an impleaded person was not liable for unpaid withholding taxes.

(C) If any person required to appear before the court under this subsection fails or refuses to appear or bring such information in part or in whole, or is outside the jurisdiction of the tax court, the court shall make its determination on the basis of all the evidence introduced. All such evidence shall constitute a public record and shall be available to the parties and the court notwithstanding ORS 314.835, 314.840 or 314.991. The determination of the tax court shall be binding on all persons made parties to the action under this subsection.

(e) Nothing in this section shall be construed to preclude a determination by the department or the Oregon Tax Court that more than one officer, employee or member are jointly and severally liable for unpaid withholding taxes.

SECTION 122h. ORS 316.212 is amended to read:

316.212. The provisions of the income tax laws in ORS chapters 305 and 314 and this chapter, relating to penalties, misdemeanors and jeopardy assessments, apply to employers subject to the provisions of ORS 316.162 to 316.221 **and section 122a of this 2017 Act**, and for these purposes any amount deducted or required to be deducted and remitted to the Department of Revenue under ORS 316.162 to 316.221 **and section 122a of this 2017 Act** is considered the tax of the employer and with respect to such amount the employer is considered as a taxpayer.

SECTION 122i. **Except as otherwise provided in section 122a of this 2017 Act or where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and examination of returns, periods of limitation, determination of and notices of deficiencies, assessments, collections, liens, delinquencies, claims for refund and refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality of returns and the penalties relative thereto, and the procedures relating thereto, apply to the determinations of taxes, penalties and interest under section 122a of this 2017 Act.**

SECTION 122j. (1) All moneys received by the Department of Revenue from the tax imposed under section 122a of this 2017 Act shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. The department may pay expenses for the administration and enforcement of section 122a of this 2017 Act out of moneys received from the tax imposed under section 122a of this 2017 Act. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After the payment of administrative and enforcement expenses and refunds or credits arising from erroneous overpayments, the department shall credit the balance of the moneys received by the department to the Statewide Transportation Improvement Fund established under section 122L of this 2017 Act.

SECTION 122k. Section 122a of this 2017 Act applies to tax periods beginning on or after July 1, 2018.

SECTION 122L. (1) The Statewide Transportation Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation Improvement Fund shall be credited to the fund. Moneys in the fund

are continuously appropriated to the Department of Transportation to finance investments and improvements in public transportation services, except that the moneys may not be used for light rail.

(2) The Statewide Transportation Improvement Fund consists of:

- (a) All moneys received from the tax imposed under section 122a of this 2017 Act;
- (b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly; and
- (c) Other moneys deposited in the fund from any source.

SECTION 122m. As used in sections 122m to 122p of this 2017 Act:

(1) "Public transportation service provider" includes a qualified entity and a city, county, special district, intergovernmental entity or any other political subdivision or municipal or public corporation that provides public transportation services and is not otherwise described in subsection (2) of this section.

(2) "Qualified entity" means the following:

- (a) Counties in which no part of a mass transit district or transportation district exists;
- (b) Mass transit districts organized under ORS 267.010 to 267.390;
- (c) Transportation districts organized under ORS 267.510 to 267.650; and
- (d) Federally recognized Indian tribes.

SECTION 122n. (1) The Oregon Transportation Commission shall distribute the moneys in the Statewide Transportation Improvement Fund established under section 122L of this 2017 Act as follows:

(a) Conditioned upon the commission's approval of a public transportation improvement plan, 90 percent to qualified entities;

(b) Five percent to public transportation service providers based on a competitive grant program adopted by the commission by rule;

(c) Four percent to public transportation service providers to provide funding assistance to cover the costs of improving public transportation services between two or more communities; and

(d) One percent to the Department of Transportation to establish a statewide public transportation technical resource center, the purpose of which is to assist public transportation service providers in rural areas with training, transportation planning and information technology.

(2) For purposes of the percentage distributions under subsection (1)(a) of this section:

(a) Each distribution must be in such shares that the amount of tax paid, as required under section 122a of this 2017 Act, in the area of each qualified entity bears to the total amount of the tax paid statewide, provided that each qualified entity receives an annual amount of at least \$100,000.

(b) Each public transportation service provider that receives funding under this section shall receive at least a share that the amount of the tax paid, as required under section 122a of this 2017 Act, in the area served by the provider bears to the amount of tax paid in the area of the respective qualified entity in which the public transportation service provider provides services.

(c) If more than one mass transit district or transportation district is located within a single county, the commission shall distribute the moneys to the larger district.

(3) The commission shall adopt by rule:

(a) A competitive grant program, by which a public transportation service provider may apply for a percentage distribution under subsection (1)(b) of this section, and the terms and conditions of grants.

(b) A competitive grant program, by which a public transportation service provider may apply for a percentage distribution under subsection (1)(c) of this section, and the terms and conditions of grants.

(c) A process to review and approve a public transportation improvement plan submitted under subsection (4) of this section.

(d) Procedures for appealing a rejection of a public transportation improvement plan submitted under subsection (4) of this section.

(e) Any other provisions or procedures that are necessary for the commission to carry out the provisions of sections 122n to 122p of this 2017 Act.

(4) To be eligible to receive a percentage distribution under subsection (1)(a) of this section, a qualified entity shall prepare and submit a public transportation improvement plan to the commission. The commission must approve the plan submitted by the qualified entity before the commission may make a percentage distribution to the qualified entity.

(5) At a minimum, a public transportation improvement plan submitted under this section must include:

(a) For each proposed project, the amount of moneys from the percentage distribution that would be allocated to the project to fund the following:

(A) Increased frequency of bus service schedules in communities with a high percentage of low-income households;

(B) Procurement of buses that are powered by natural gas or electricity for use in areas with a population of 200,000 or more;

(C) Implementation of programs to reduce fares for public transportation in communities with a high percentage of low-income households;

(D) Expansion of bus routes and bus services to reach communities with a high percentage of low-income households;

(E) Improvement in the frequency and reliability of service connections between communities inside and outside of the qualified entity's service area; and

(F) Coordination between public transportation service providers to reduce fragmentation in the provision of transportation services;

(b) For the current fiscal year, a summary of any plans and project proposals approved by an advisory committee under section 122o of this 2017 Act; and

(c) If a qualified entity was a recipient of a percentage distribution in the preceding fiscal year, the amount of moneys received from the distribution that were allocated to a project for the purposes described under paragraph (a) of this subsection.

(6) After the commission makes a distribution under subsection (1) of this section, qualified entities may enter into intergovernmental agreements under ORS chapter 190 to combine the moneys received for public transportation improvements.

(7) If the commission rejects a public transportation improvement plan or a grant application submitted under this section, the commission shall notify the entity or provider in writing and state the reasons for the rejection.

(8) The Department of Transportation shall make all grant applications submitted under this section available to the public.

SECTION 122o. (1) The governing body of each qualified entity shall appoint an advisory committee to advise and assist the governing body in prioritizing plans or projects to be funded from the moneys received from a percentage distribution under section 122n of this 2017 Act to public transportation service providers that provide services within the jurisdiction of the qualified entity.

(2) Before receiving funding for a project under section 122n of this 2017 Act, a public transportation service provider that provides services within the jurisdiction of a qualified entity shall submit a plan or project proposal to the governing body of the qualified entity and receive the advisory committee's approval of the plan or project proposal. The plans or project proposals submitted under this subsection must describe how the funds would be used.

(3) An advisory committee appointed under this section shall review every plan or project proposal required under subsection (2) of this section and may propose any changes to the

policies or practices of the governing body that the advisory committee considers necessary to ensure that:

(a) A public transportation service provider that has received funding under section 122n of this 2017 Act has applied the moneys received in accordance with and for the purposes described in the provider's plan or project proposal; and

(b) A plan or project proposal submitted by a public transportation service provider does not fragment the provision of public transportation services.

(4) The Oregon Transportation Commission shall adopt by rule:

(a) Requirements for the composition of an advisory committee appointed under this section;

(b) Criteria that must be included in a plan or project proposal required under subsection (2) of this section; and

(c) A process by which an advisory committee shall review and approve a plan or project proposal.

SECTION 122p. Every qualified entity shall submit the following to the Department of Transportation no later than 30 days prior to the end of the fiscal year in which the qualified entity receives a percentage distribution under section 122n of this 2017 Act:

(1) A report on any actions taken by a public transportation service provider located within the area of a qualified entity to mitigate the impact of the tax imposed under section 122a of this 2017 Act on passengers who reside in low-income communities;

(2) The adopted annual budget for the upcoming fiscal year; and

(3) The results of any audits of the qualified entity or of a public transportation service provider located within the area of the qualified entity as required by a local, state or federal oversight agency for purposes of statewide reporting including, but not limited to:

(a) The state financial report required under ORS 291.040;

(b) The results of any comprehensive review completed by the Federal Transit Administration; and

(c) Any information submitted by the qualified entity as a part of the requirements of a statewide audit in accordance with the federal Single Audit Act of 1984 (31 U.S.C. 7501 to 7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156).

SECTION 122q. On or before February 1, 2020, the Oregon Transportation Commission shall submit a report in the manner provided by ORS 192.245 to the Joint Committee on Transportation established under section 26 of this 2017 Act on the implementation and outcomes of sections 122m to 122p of this 2017 Act.

SECTION 122r. (1) Sections 122m to 122q of this 2017 Act become operative on January 1, 2019.

(2) The Oregon Transportation Commission and the Department of Transportation may take any action before the operative date specified in subsection (1) of this section that is necessary for the commission or the department to exercise all of the duties, functions and powers conferred on the commission and the department by sections 122m to 122q of this 2017 Act.

(Safe Routes to Schools)

SECTION 123. (1) The Oregon Transportation Commission may provide matching grants under this section for safety improvement projects near schools.

(2) To qualify for a matching grant an applicant shall:

(a) Demonstrate that a project fits within the applicable plan developed pursuant to ORS 195.115;

(b) Provide a cash match of at least 40 percent of the project's costs; and

(c) Provide any other information required by the commission.

(3) Notwithstanding subsection (2) of this section, the commission may reduce the amount the applicant must provide for a cash match. An applicant providing a reduced cash match shall provide at least 20 percent of the project's costs. This subsection applies if:

(a) The school is located in a city with a population of 5,000 or fewer;
(b) The project reduces hazards within a safety corridor, as defined by the commission by rule; or

(c) The school site qualifies for assistance under Chapter I of Title I of the federal Elementary and Secondary Education Act of 1965.

(4) The commission shall prioritize the expenditure of funds as authorized under this section for projects that are located within a one-mile radius of a school that serves students in prekindergarten, kindergarten or grades 1 through 8, or any combination of those grade levels, or a school that serves students in kindergarten through grade 12.

(5) The matching grants shall be used to reduce barriers and hazards to children walking or bicycling to and from school, including but not limited to safety improvement projects that:

- (a) Improve sidewalks;
- (b) Reduce vehicle speeds;
- (c) Improve pedestrian and bicycle crossings; or
- (d) Create or improve bicycle lanes.

(6) The commission may adopt rules specifying the application process and the selection criteria that will be used in awarding matching grants.

SECTION 124. ORS 184.740 is amended to read:

184.740. (1) The Safe Routes to Schools Fund is established separate and distinct from the General Fund. Interest earned by the Safe Routes to Schools Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Transportation to implement a safe routes to schools program as described in ORS 184.741 **and to fund projects described in section 123 of this 2017 Act.**

(2) The department may apply for, accept, receive and disburse gifts, grants, donations and other moneys from the federal government or from any other source to carry out a safe routes to schools program. Moneys received by the department under this subsection shall be deposited in the Safe Routes to Schools Fund.

(3) The department, in consultation with the Transportation Safety Committee, may award grants from the Safe Routes to Schools Fund to applicants who comply with criteria adopted by the department under ORS 184.741 **or who qualify under section 123 of this 2017 Act.**

(Roadside Rest Areas)

SECTION 125. ORS 377.841 is amended to read:

377.841. (1) The Travel Information Council shall manage, maintain, improve and develop for local economic development and other purposes identified in ORS 377.705 roadside rest areas along the following highways:

- (a) Interstate 5, northbound, near milepost 63.
- (b) Interstate 5, southbound, near milepost 63.
- (c) Interstate 5, northbound, near milepost 143.
- (d) Interstate 5, southbound, near milepost 143.
- (e) Interstate 5, northbound, near milepost 178.
- (f) Interstate 5, southbound, near milepost 178.
- (g) Interstate 5, northbound, near milepost 206.
- (h) Interstate 5, southbound, near milepost 206.
- (i) Interstate 5, northbound, near milepost 241.
- (j) Interstate 5, southbound, near milepost 241.
- (k) Interstate 5, northbound, near milepost 281.

- (L) Interstate 5, southbound, near milepost 281.
- (m) Interstate 84, eastbound, near milepost 73.
- (n) Interstate 84, westbound, near milepost 73.
- (o) Interstate 84, eastbound, near milepost 160.
- (p) Interstate 84, westbound, near milepost 160.
- (q) Interstate 84, eastbound, near milepost 187.
- (r) Interstate 84, westbound, near milepost 187.
- (s) Interstate 84, eastbound, near milepost 269.
- (t) Interstate 84, westbound, near milepost 269.
- (u) Interstate 84, eastbound, near milepost 295.
- (v) Interstate 84, westbound, near milepost 295.
- (w) Interstate 84, westbound, near milepost 336.
- (x) Interstate 84, westbound, near milepost 377.
- (y) U.S. Highway 26, westbound, near milepost 54.
- (z) U.S. Highway 101, southbound, near milepost 70.

(2) Subject to subsection (4) of this section, in carrying out the provisions of subsection (1) of this section, the council may enter into contracts necessary to accomplish the purposes of subsection (1) of this section.

(3) The Department of Transportation shall:

(a) Maintain ownership of any roadside rest area located along an interstate highway that the council manages, maintains, improves and develops pursuant to subsection (1) of this section; and

(b) Enter into an intergovernmental agreement with the council under which the council has the authority to manage, maintain, improve and develop those rest areas owned by the department that are listed in subsection (1) of this section.

(4) Under the intergovernmental agreement entered into under subsection (3) of this section, the council shall conduct public contracting activities in accordance with the provisions of ORS 377.836.

(5) For the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section, the department shall allocate to the council, [*no later than January 2 of each year, \$6.55 million*] **for the period beginning on January 1, 2018, and ending on June 30, 2018, \$3.33 million**, from the State Highway Fund.

(6) The council may not use any moneys originating from a local transient lodging tax or a state transient lodging tax, as those terms are defined in ORS 320.300, for the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section.

SECTION 126. ORS 377.841, as amended by section 125 of this 2017 Act, is amended to read:

377.841. (1) For the purposes of this section, "roadside rest areas" includes the following roadside rest areas in this state:

- (a) Suncrest, Interstate 5, near milepost 22.**
- (b) Manzanita, Interstate 5, near milepost 63.**
- (c) Cabin Creek, Interstate 5, near milepost 143.**
- (d) Gettings Creek, Interstate 5, near milepost 178.**
- (e) Oak Grove, Interstate 5, near milepost 206.**
- (f) Santiam River, Interstate 5, near milepost 241.**
- (g) French Prairie, Interstate 5, near milepost 282.**
- (h) Memaloose, Interstate 84, near milepost 73.**
- (i) Boardman, Interstate 84, near milepost 161.**
- (j) Stanfield, Interstate 84, near milepost 187.**
- (k) Deadman Pass, Interstate 84, near milepost 229.**
- (L) Charles Reynolds, Interstate 84, near milepost 269.**
- (m) Baker Valley, Interstate 84, near milepost 295.**
- (n) Weatherby, Interstate 84, near milepost 336.**
- (o) Ontario, Interstate 84, near milepost 377.**
- (p) The Maples, State Highway 22, near milepost 35.**

- (q) **Tillamook River, U.S. Highway 101, near milepost 71.**
- (r) **Sunset, U.S. Highway 26, near milepost 29.**
- (s) **Cow Canyon, U.S. Highway 97, near milepost 69.**
- (t) **Beaver Marsh, U.S. Highway 97, near milepost 207.**
- (u) **Midland, U.S. Highway 97, near milepost 282.**
- (v) **Government Camp, U.S. Highway 26, near milepost 54.**

[(1)] (2) The Travel Information Council shall manage, maintain, improve and develop for local economic development and other purposes identified in ORS 377.705 **the** roadside rest areas **listed in subsection (1) of this section.** [along the following highways:]

[(a)] Interstate 5, northbound, near milepost 63.]

[(b)] Interstate 5, southbound, near milepost 63.]

[(c)] Interstate 5, northbound, near milepost 143.]

[(d)] Interstate 5, southbound, near milepost 143.]

[(e)] Interstate 5, northbound, near milepost 178.]

[(f)] Interstate 5, southbound, near milepost 178.]

[(g)] Interstate 5, northbound, near milepost 206.]

[(h)] Interstate 5, southbound, near milepost 206.]

[(i)] Interstate 5, northbound, near milepost 241.]

[(j)] Interstate 5, southbound, near milepost 241.]

[(k)] Interstate 5, northbound, near milepost 281.]

[(L)] Interstate 5, southbound, near milepost 281.]

[(m)] Interstate 84, eastbound, near milepost 73.]

[(n)] Interstate 84, westbound, near milepost 73.]

[(o)] Interstate 84, eastbound, near milepost 160.]

[(p)] Interstate 84, westbound, near milepost 160.]

[(q)] Interstate 84, eastbound, near milepost 187.]

[(r)] Interstate 84, westbound, near milepost 187.]

[(s)] Interstate 84, eastbound, near milepost 269.]

[(t)] Interstate 84, westbound, near milepost 269.]

[(u)] Interstate 84, eastbound, near milepost 295.]

[(v)] Interstate 84, westbound, near milepost 295.]

[(w)] Interstate 84, westbound, near milepost 336.]

[(x)] Interstate 84, westbound, near milepost 377.]

[(y)] U.S. Highway 26, westbound, near milepost 54.]

[(z)] U.S. Highway 101, southbound, near milepost 70.]

[(2)] Subject to subsection (4) of this section, in carrying out the provisions of subsection (1) of this section, the council may enter into contracts necessary to accomplish the purposes of subsection (1) of this section.]

(3) The Department of Transportation **and the State Parks and Recreation Department** shall:

(a) Maintain ownership of [any] **the** roadside rest [area located along an interstate highway] **areas, except for the Government Camp roadside rest area listed in subsection (1)(v) of this section,** that the council manages, maintains, improves and develops pursuant to subsection [(1)] (2) of this section; and

(b) Enter into [an] intergovernmental [agreement] **agreements** with the council under which the council has the authority to manage, maintain, improve and develop those **roadside** rest areas owned by the [department that are listed in subsection (1) of this section] **departments.**

(4) Under the intergovernmental [agreement] **agreements** entered into under subsection (3) of this section, the council shall conduct public contracting activities in accordance with the provisions of ORS 377.836.

(5) For the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section, the Department **of Transportation** shall allocate to the

council, for the period beginning on [January] **July** 1, 2018, and ending on June 30, [2018] **2019**, [\$3.33] **\$8.005** million, from the State Highway Fund.

(6) The council may not use any moneys originating from a local transient lodging tax or a state transient lodging tax, as those terms are defined in ORS 320.300, for the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section.

SECTION 127. ORS 377.841, as amended by sections 125 and 126 of this 2017 Act, is amended to read:

377.841. (1) For the purposes of this section, "roadside rest areas" includes the following roadside rest areas in this state:

- (a) Suncrest, Interstate 5, near milepost 22.
- (b) Manzanita, Interstate 5, near milepost 63.
- (c) Cabin Creek, Interstate 5, near milepost 143.
- (d) Gettings Creek, Interstate 5, near milepost 178.
- (e) Oak Grove, Interstate 5, near milepost 206.
- (f) Santiam River, Interstate 5, near milepost 241.
- (g) French Prairie, Interstate 5, near milepost 282.
- (h) Memaloose, Interstate 84, near milepost 73.
- (i) Boardman, Interstate 84, near milepost 161.
- (j) Stanfield, Interstate 84, near milepost 187.
- (k) Deadman Pass, Interstate 84, near milepost 229.
- (l) Charles Reynolds, Interstate 84, near milepost 269.
- (m) Baker Valley, Interstate 84, near milepost 295.
- (n) Weatherby, Interstate 84, near milepost 336.
- (o) Ontario, Interstate 84, near milepost 377.
- (p) The Maples, State Highway 22, near milepost 35.
- (q) Tillamook River, U.S. Highway 101, near milepost 71.
- (r) Sunset, U.S. Highway 26, near milepost 29.
- (s) Cow Canyon, U.S. Highway 97, near milepost 69.
- (t) Beaver Marsh, U.S. Highway 97, near milepost 207.
- (u) Midland, U.S. Highway 97, near milepost 282.
- (v) Government Camp, U.S. Highway 26, near milepost 54.
- (w) Van Duzer Corridor State Park, State Highway 18, near milepost 10.**
- (x) Ellmaker Wayside State Park, U.S. Highway 20, near milepost 32.**
- (y) Peter Skene Ogden State Park, U.S. Highway 97, near milepost 113.**

(2) The Travel Information Council shall manage, maintain, improve and develop for local economic development and other purposes identified in ORS 377.705 the roadside rest areas listed in subsection (1) of this section.

(3) The Department of Transportation and the State Parks and Recreation Department shall:

(a) Maintain ownership of the roadside rest areas, except for the Government Camp roadside rest area listed in subsection (1)(v) of this section, that the council manages, maintains, improves and develops pursuant to subsection (2) of this section; and

(b) Enter into intergovernmental agreements with the council under which the council has the authority to manage, maintain, improve and develop those roadside rest areas owned by the departments.

(4) Under the intergovernmental agreements entered into under subsection (3) of this section, the council shall conduct public contracting activities in accordance with the provisions of ORS 377.836.

(5) For the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section, the Department of Transportation shall allocate to the council, [for the period beginning on July 1, 2018, and ending on June 30, 2019, \$8.005] **no later than July 1 of each year, \$9.16** million, from the State Highway Fund.

(6) The council may not use any moneys originating from a local transient lodging tax or a state transient lodging tax, as those terms are defined in ORS 320.300, for the purpose of funding the management, maintenance, improvement and development of roadside rest areas under this section.

SECTION 128. (1) The amendments to ORS 377.841 by section 126 of this 2017 Act become operative on July 1, 2018.

(2) The amendments to ORS 377.841 by section 127 of this 2017 Act become operative on July 1, 2019.

SECTION 129. (1) The Travel Information Council, after consulting with the Department of Transportation and the State Parks and Recreation Department, shall develop a plan for transitioning the management of the roadside rest areas listed in ORS 377.841 from the departments to the council.

(2) The council shall provide a report on the transition plan to the Joint Committee on Transportation established under section 26 of this 2017 Act in the manner provided by ORS 192.245 no later than September 15, 2018.

SECTION 130. At least six months before the management of a roadside rest area listed in ORS 377.841 is transferred to the Travel Information Council:

(1) The state agency transferring the management of the roadside rest area shall provide to the council all site maps, interagency and intergovernmental agreements and contracts associated with the applicable roadside rest area.

(2) After receiving the information described in subsection (1) of this section, the council shall conduct a full access, on-site inspection of the roadside rest area.

SECTION 131. For the purpose of funding capital improvements to roadside rest areas managed by the Travel Information Council under ORS 377.841, the Department of Transportation shall allocate each year from the State Highway Fund to the council the following amounts:

(1) During the period beginning July 1, 2018, and ending June 30, 2019, \$2.8 million.

(2) During the period beginning July 1, 2019, and ending June 30, 2020, \$5.8 million.

(3) During the period beginning July 1, 2020, and ending June 30, 2021, \$1.5 million.

(4) During the period beginning July 1, 2021, and ending June 30, 2022, \$443,900.

(5) During the period beginning July 1, 2022, and ending June 30, 2023, \$3.6 million.

(6) During the period beginning July 1, 2023, and ending June 30, 2024, \$1.3 million.

(7) During the period beginning July 1, 2024, and ending June 30, 2025, \$3.3 million.

(8) During the period beginning July 1, 2025, and ending June 30, 2026, \$766,000.

TRANSPORTATION GENERALLY

SECTION 132. Section 1, chapter 637, Oregon Laws 2015, is amended to read:

Sec. 1. (1) As soon as practicable after the operative date determined under section 2, **chapter 637, Oregon Laws 2015**, [of this 2015 Act] and until the 60th day following the operative date, the City of Damascus shall post notices in at least two public locations in the city and on the website of the city stating that:

(a) Under subsection (2) of this section, the city is required to satisfy all current and pending debts and obligations for which the city is liable; and

(b) Persons believing themselves to be creditors of the city should present claims to the city as soon as possible to ensure that all valid debts and obligations for which the city is liable will be timely paid.

(2) Notwithstanding ORS 221.650, during the period that begins on the 30th day following the operative date determined under section 2, **chapter 637, Oregon Laws 2015**, [of this 2015 Act] and ends on the 60th day following the operative date:

(a) The City of Damascus shall expend moneys in the funds of the city to satisfy:

(A) Current and pending debts and obligations for which the city is liable, including, but not limited to, debt service payments, lease obligations, financing arrangements and similar obligations;

(B) Outstanding obligations relating to employment of city employees, including pension and other employee benefit obligations; and

(C) Other debts, obligations, liabilities and expenses requiring financial satisfaction by a disincorporating city.

(b) As soon as practicable after making the expenditures required under paragraph (a) of this subsection, the city shall transfer:

(A) All moneys in the city road fund to Clackamas County for deposit in a separate account in the county road fund created for purposes of this subparagraph. Moneys in the separate account shall be expended by the county for the purposes for which moneys in the county road fund may be expended, solely in the territory within the corporate boundaries of the City of Damascus as they existed on the operative date determined under section 2, **chapter 637, Oregon Laws 2015** [of this 2015 Act].

(B) An amount not to exceed \$3 million to Clackamas County for deposit in a separate account in the county general fund created for purposes of this subparagraph. Moneys in the separate account shall be expended by the county for expenses related to the employment of employees of the City of Damascus by Clackamas County pursuant to ORS 236.605 to 236.640, contracted law enforcement services within the territory of the disincorporated city and other current service expenses in the budget of the City of Damascus on the operative date determined under section 2, **chapter 637, Oregon Laws 2015** [of this 2015 Act], and the administration by the county of this subparagraph, including but not limited to the processing of expenditures under this subparagraph.

(c) The City of Damascus shall transfer all moneys in the funds of the city in excess of the moneys required to be expended under paragraph (a) of this subsection and transferred under paragraph (b) of this subsection to Clackamas County for deposit in a separate account in the county general fund created for purposes of this paragraph. Excess moneys in the separate account shall be distributed by the county as provided in subsection (3) of this section.

(3)(a) Excess moneys transferred to Clackamas County under subsection (2)(c) of this section shall be distributed by the county on or as soon as practicable after January 1, 2018, to each person that owned taxable property as of June 30, 2016, for which property taxes were paid in full to the City of Damascus for the property tax year beginning on July 1, 2015, in an amount determined by multiplying the amount of all excess moneys to be distributed under this subsection by the ratio of the cumulative amount of ad valorem property taxes certified by the city and paid with respect to the property owned by the person for the property tax years beginning on July 1, 2013, and ending on June 30, 2016, to the cumulative amount of ad valorem property taxes certified by the city and paid with respect to property owned by all persons eligible for the distribution under this subsection for the property tax years beginning on July 1, 2013, and ending on June 30, 2016.

(b) Notwithstanding paragraph (a) of this subsection, amounts that would otherwise be distributed under paragraph (a) of this subsection to a taxpayer with respect to a homestead granted deferral under ORS 311.666 to 311.701 shall be paid to the credit of the account maintained for the deferred property by the Department of Revenue pursuant to ORS 311.676. The county shall notify the taxpayer upon making a payment to the department under this paragraph.

(c) A distribution is not required under this subsection if the amount of the distribution would be \$10 or less.

(d) Before making the distributions described in this subsection, the county may retain an amount of the excess moneys equal to the actual costs of the county in making the distributions.

(e) Excess moneys to be distributed under this subsection that remain unclaimed on January 1, 2019, shall be transferred to the general fund of Clackamas County and may be expended by the county in the same manner as other moneys in the general fund.

(4)(a) Notwithstanding any other provision of law, in order to compensate Clackamas County for the distribution of excess moneys under subsection (3) of this section, for the period that begins on the 61st day following the operative date determined under section 2, **chapter 637, Oregon Laws 2015** [of this 2015 Act], and ending 10 years later[.];

(A) Funds that would otherwise have been distributed to the City of Damascus under ORS 323.455, [366.785 to 366.820,] 403.240 and 471.810 shall be distributed to Clackamas County for deposit in a separate account in the general fund of the county created for purposes of this [subsection] **subparagraph.**

(B) Funds that would otherwise have been distributed to the City of Damascus under ORS 366.785 to 366.820 shall be distributed to Clackamas County for deposit in a separate account in the general fund of the county created for purposes of this subparagraph.

(b)(A) Moneys described in paragraph (a)(A) of this subsection shall be expended by the county on costs, including the actual costs of the county in administering this subsection, related to public safety and law enforcement, urban comprehensive planning, code enforcement and waste water and surface water management that are incurred solely in the territory within the corporate boundaries of the City of Damascus as they existed on the operative date determined under section 2, **chapter 637, Oregon Laws 2015** [of this 2015 Act].

(B) Moneys described in paragraph (a)(B) of this subsection shall be expended by the county for uses permitted under Article IX, section 3a, of the Oregon Constitution, solely in the territory within the corporate boundaries of the City of Damascus as they existed on the operative date determined under section 2, chapter 637, Oregon Laws 2015.

(c) Territory that is removed from the Metro urban growth boundary or that is annexed to another city during the period described in paragraph (a) of this subsection shall, from the effective date of the removal or annexation, be considered outside the corporate boundaries of the City of Damascus for purposes of this subsection.

SECTION 133. ORS 366.462 is amended to read:

366.462. (1) The Department of Transportation shall construct fences on all freeway overpasses that are built on and after November 4, 1993. The fences shall be designed to deter persons from throwing objects from the overpasses onto the freeways.

(2) [Beginning in the fiscal year that starts July 1, 1993,] The Department of Transportation shall construct [at least 15] fences [per year] on existing freeway overpasses[. The department shall develop a priority system to construct fences first on those overpasses] that involve the greatest risk factors.

SECTION 134. (1) In accordance with ORS 374.329, the Department of Transportation shall transfer jurisdiction of the following state highways to the following cities:

(a) Pacific Highway West, State Highway 91, from the department to the City of Eugene. The department shall transfer the following two portions:

(A) The portion beginning where the highway intersects with the Beltline Highway and ending where the highway intersects with Washington Street, but excluding the bridge at milepost 121.42.

(B) The portion beginning where the highway intersects with Walnut Street and ending where the highway intersects with Interstate 5, but excluding the bridge at milepost 126.02.

(b) Springfield Highway, State Highway 228 to the City of Springfield.

(2) Notwithstanding section 71d (4) of this 2017 Act, the department shall use the funds described in section 71d of this 2017 Act for the transfer of Powell Boulevard to upgrade the portion of Southeast Powell Boulevard beginning where the highway intersects with Interstate 205 and ending where the highway intersects with the city limits. After the upgrades are completed, in accordance with ORS 374.329, the department shall transfer jurisdiction of the upgraded portion to the City of Portland. The department may upgrade and transfer portions of the highway in phases.

(3) In accordance with ORS 366.290:

(a) The department shall transfer jurisdiction of the portion of Territorial Highway, State Highway 200, that is located within Lane County from the department to the county. The department may transfer portions of the highway in phases. The department shall retain jurisdiction of bridges on Territorial Highway located at milepoints 18.72, 18.98, 19.28 and 25.49. The department shall transfer the jurisdiction of the bridges after the bridges are replaced.

(b) The department shall transfer jurisdiction of the portion of the Springfield-Creswell Highway, State Highway 222, beginning where it intersects with Jasper-Lowell Road and ending where it intersects with Emerald Parkway to Lane County. The department shall retain jurisdiction of bridges on Springfield-Creswell Highway located at mileposts 5.20, 5.41, 5.64 and 13.36. The department shall transfer the jurisdiction of a bridge after the bridge is replaced.

(c) Lane County shall transfer jurisdiction of the portion of Delta Highway beginning where the highway intersects with Interstate 105 and ending where the highway intersects with the Randy Pape Beltline from the county to the department.

(d) Multnomah County and Washington County shall transfer jurisdiction of the portion of Cornelius Pass Road beginning where the highway intersects with U.S. Highway 30 and ending where the highway intersects with U.S. Highway 26 from the counties to the department. The counties may transfer portions of the highway in phases.

SECTION 135. Section 136 of this 2017 Act is added to and made a part of ORS chapter 366.

SECTION 136. The Oregon Transportation Commission shall develop a statewide winter maintenance strategy and policy that includes the use of rock salt or similar solid salt products. In developing the strategy, the commission shall focus on highways under the Department of Transportation's jurisdiction as the road authority pursuant to ORS 810.010 and take into consideration environmental best practices.

SECTION 137. The Oregon Transportation Commission shall submit a report on the development and implementation of the winter maintenance strategy and policy described in section 136 of this 2017 Act. The commission shall submit the report to the Joint Committee on Transportation established under section 26 of this 2017 Act in the manner provided under ORS 192.245 no later than September 15, 2019.

SECTION 138. Section 137 of this 2017 Act is repealed on January 2, 2020.

SECTION 139. (1) Sections 32 and 37 of this 2017 Act and the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476 and 825.480 by sections 34, 48, 51, 54, 57, 63 and 66 of this 2017 Act become operative on January 1, 2018.

(2) The amendments to ORS 826.023 by section 70 of this 2017 Act become operative on January 1, 2020.

(3) The amendments to sections 32 and 37 of this 2017 Act by sections 33 and 38 of this 2017 Act and the amendments to ORS 803.420 by section 35 of this 2017 Act become operative on January 1, 2022.

(4) The amendments to ORS 803.645, 818.225, 818.270, 825.450, 825.476 and 825.480 by sections 49, 52, 55, 58, 64 and 67 of this 2017 Act become operative on January 1, 2024.

REPEALS

SECTION 140. ORS 184.613, 184.616, 184.618, 184.889 and 367.017 and section 17, chapter 63, Oregon Laws 2012, are repealed.

SECTION 141. (1) The Urban Trail Fund, established under ORS 367.017, is abolished.

(2) Any moneys remaining in the Urban Trail Fund on the effective date of this 2017 Act that are unexpended, unobligated and not subject to any conditions shall be transferred to the Connect Oregon Fund established under ORS 367.080 for the purposes of providing grants for bicycle and pedestrian transportation projects.

CONFLICT AMENDMENTS

SECTION 142. If House Bill 2149 becomes law, section 6, chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149) (amending ORS 803.420), is repealed.

SECTION 143. If House Bill 2149 becomes law, section 7, chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149), is amended to read:

Sec. 7. (1) The amendments to ORS 801.041, 801.042, 803.350, 803.415[803.420] and 805.110 by sections [1 to 6 of this 2017 Act] **1 to 5, chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149)**, apply to vehicles registered under ORS 805.110 on or after the effective date of [this 2017 Act] **chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149)**.

(2) [Notwithstanding ORS 803.420 (21) and 805.110,] A person who registered a vehicle under ORS 805.110 before the effective date of [this 2017 Act] **chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149)**, is not required to pay a renewal fee for the vehicle registered under ORS 805.110 on or after the effective date of [this 2017 Act] **chapter 62, Oregon Laws 2017 (Enrolled House Bill 2149)**.

SECTION 144. (1) If House Bill 2290 becomes law, sections 3, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290) (amending ORS 801.041, 801.042, 803.350, 803.415, 803.420, 803.445, 803.645, 805.047, 805.103, 805.105, 805.115, 805.205, 805.222, 805.255, 805.260, 805.263, 805.266, 805.278, 805.283 and 822.213 and section 2, chapter 823, Oregon Laws 2009), are repealed.

(2) If House Bill 2290 becomes law, section 6a, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290) (amending ORS 803.420 and repealing section 6, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290)), is repealed.

SECTION 145. If House Bill 2290 becomes law, section 31, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290), is amended to read:

Sec. 31. The amendments to [ORS 801.041, 801.042, 803.134, 803.350, 803.415, 803.420, 803.445, 803.575, 803.645, 805.047, 805.103, 805.105, 805.115, 805.205, 805.222, 805.250, 805.255, 805.260, 805.263, 805.266, 805.278, 805.283, 807.370, 807.410, 809.312, 822.213 and 822.700 and section 2, chapter 823, Oregon Laws 2009, by sections 1 to 29 of this 2017 Act] **ORS 803.090, 803.134, 803.575, 805.250, 807.370, 807.410, 809.312 and 822.700 by sections 1 to 29, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290)**, apply to fees imposed on or after the operative date specified in section 32 [of this 2017 Act], **chapter __, Oregon Laws 2017 (Enrolled House Bill 2290)**.

SECTION 146. If House Bill 2290 becomes law, section 32, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290), is amended to read:

Sec. 32. (1) The amendments to [ORS 801.041, 801.042, 803.134, 803.350, 803.415, 803.420, 803.445, 803.575, 803.645, 805.047, 805.103, 805.105, 805.115, 805.205, 805.222, 805.250, 805.255, 805.260, 805.263, 805.266, 805.278, 805.283, 807.370, 807.410, 809.312, 822.213 and 822.700 and section 2, chapter 823, Oregon Laws 2009, by sections 1 to 29 of this 2017 Act] **ORS 803.090, 803.134, 803.575, 805.250, 807.370, 807.410, 809.312 and 822.700 by sections 1 to 29, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290)**, become operative on July 1, 2018.

(2) The Department of Transportation may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the department by the amendments to [ORS 801.041, 801.042, 803.134, 803.350, 803.415, 803.420, 803.445, 803.575, 803.645, 805.047, 805.103, 805.105, 805.115, 805.205, 805.222, 805.250, 805.255, 805.260, 805.263, 805.266, 805.278, 805.283, 807.370, 807.410, 809.312, 822.213 and 822.700 and section 2, chapter 823, Oregon Laws 2009, by sections 1 to 29 of this 2017 Act] **ORS 803.090, 803.134, 803.575, 805.250, 807.370, 807.410, 809.312 and 822.700 by sections 1 to 29, chapter __, Oregon Laws 2017 (Enrolled House Bill 2290)**.

SEVERABILITY

SECTION 147. It is the intent of the Legislative Assembly that all parts of this 2017 Act are independent and that if any part of this 2017 Act is held unconstitutional by a judicial decision that is not subject to further review, or if any part of this 2017 Act is referred to the people under Article IV, section 1, of the Oregon Constitution, and is not approved by a

majority of the voters voting on the referendum measure, all remaining parts of this 2017 Act shall remain in full force and effect.

**ZERO-EMISSION AND ELECTRIC VEHICLE REBATES
(Rebate Program; Provisions Operative January 1, 2018)**

SECTION 148. As used in sections 148 to 152 of this 2017 Act:

(1) "Light-duty zero-emission vehicle" means a motor vehicle that:

- (a) Has a gross vehicle weight rating of 8,500 pounds or less;
- (b) Is capable of attaining a speed of 55 miles per hour or more; and
- (c) Is powered:

(A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation.

(B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity.

(C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.

(2) "Motor vehicle" has the meaning given that term in ORS 801.360.

(3) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.

(4) "Plug-in hybrid electric vehicle" means a hybrid electric motor vehicle that:

- (a) Has zero evaporative emissions from its fuel system;
- (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency, on electricity alone;
- (c) Is equipped with an onboard charger;
- (d) Is rechargeable from an external connection to an off-board electrical source;
- (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as defined by the Environmental Quality Commission by rule;
- (f) Has a warranty of at least 15 years and 150,000 miles on emission control components; and

(g) Is capable of attaining a speed of 55 miles per hour or more.

(5) "Qualifying vehicle" means a motor vehicle that:

- (a) Is a:
 - (A) Light-duty zero-emission vehicle; or
 - (B) Plug-in hybrid electric vehicle;
- (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;
- (c) Has not previously been registered;
- (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
- (e) Has a base manufacturer's suggested retail price of less than \$50,000;
- (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the date of purchase; and

(g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.

(6)(a) "Vehicle dealer" means:

(A) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; and

(B) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.

(b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for purposes of sections 148 to 152 of this 2017 Act to the extent the person:

(A) Conducts an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise qualifying vehicles are sold at auction; or

(B) Sells an otherwise qualifying vehicle at auction at an event described in this paragraph.

SECTION 149. (1) The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party nonprofit organization to implement and serve as the administrator of the program required by this section.

(2) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys for specific qualifying vehicles; and

(B) Limit the number of rebates available for each type of qualifying vehicle.

(3) The purchaser or lessee of a qualifying vehicle may apply for a rebate for a portion of the purchase price or may choose to assign the rebate to a vehicle dealer or lessor.

(4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152 of this 2017 Act. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(5) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(6) Rebates for qualifying vehicles shall be set annually by the department as follows:

(a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but not less than \$1,500.

(b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but not less than \$750.

(7) To be eligible for a rebate, a person requesting a rebate under the program shall:

(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 24 months.

(b) Provide proof of an intent to use the qualifying vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the qualifying vehicle in Oregon.

(c) Submit an application for a rebate to the administrator of the program within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins.

(d) Retain registration of the qualifying vehicle for a minimum of 24 consecutive months after the date of purchase or the date the lease begins.

(8) A rebate recipient may not make or allow any modifications to the qualifying vehicle's emissions control systems, hardware, software calibrations or hybrid system.

(9) If a rebate recipient intends to sell the qualifying vehicle, or terminate the qualifying vehicle lease before the end of 24 months, the rebate recipient shall notify the administrator of the program of the recipient's intent to sell the vehicle or terminate the lease and shall reimburse the administrator for the entire rebate amount.

(10) Rebate recipients may be requested to participate in ongoing research efforts.

(11) The administrator of the program shall work to ensure timely payment of rebates with a goal of paying rebates within 60 days after receiving an application for a rebate.

(12) A vehicle dealer may advertise the program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.

(13) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

(Charge Ahead Oregon Program)

SECTION 150. (1) As used in this section:

(a) "Area median income" means the median income for the metropolitan statistical area in which a household is located or, if the household is not located within a metropolitan statistical area, for the metropolitan statistical area in closest proximity to the location of the household, as determined by the Housing and Community Services Department, adjusted for household size.

(b) "Charge ahead rebate" means a rebate for the purchase of a new or used light-duty zero-emission vehicle issued through the Charge Ahead Oregon Program established under this section.

(c) "High-emission passenger motor vehicle" means a motor vehicle that is:

(A) Designed primarily for the transportation of persons; and

(B) Powered by an internal combustion engine that is 20 years old or older.

(d) "Low income household" means a household with income less than or equal to 80 percent of the area median income.

(e) "Moderate income household" means a household with income less than or equal to 120 percent and greater than 80 percent of the area median income.

(2) The Department of Environmental Quality shall establish a Charge Ahead Oregon Program to provide for charge ahead rebates to low income households and moderate income households that voluntarily retire or scrap high-emission passenger motor vehicles and replace those motor vehicles with new or used light-duty zero-emission vehicles. The Director of the Department of Environmental Quality may hire or contract with a third-party nonprofit organization to implement and serve as the administrator of the program required by this section.

(3) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys to specific income levels or geographic areas; and

(B) Limit the number of charge ahead rebates available.

(4) An eligible purchaser or lessee of a new or used light-duty zero-emission vehicle may apply for a charge ahead rebate for a portion of the purchase price or may choose to assign the charge ahead rebate to a vehicle dealer or lessor.

(5) Rebates under the Charge Ahead Oregon Program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152 of this 2017 Act. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(6) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(7) Charge ahead rebates shall be in an amount up to \$2,500, but not less than \$1,250.

(8) To be eligible for a charge ahead rebate, a person requesting a rebate under the program must:

- (a) Be a member of a low income household or a moderate income household.
- (b) Reside in an area of this state that has elevated concentrations of air contaminants commonly attributable to motor vehicle emissions, such as particulate matter, benzene and nitrogen oxides, relative to other areas of the state.
- (c) Document that the person will scrap or otherwise render inoperable a high-emission passenger motor vehicle that, on the date of the rebate application, is registered as operable and has been continuously registered for the last two years.
- (d) Purchase or lease a new or used light-duty zero-emission vehicle. A lease must have a minimum term of 24 months.
- (e) Provide proof of an intent to use the light-duty zero-emission vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the vehicle in Oregon.
- (f) Submit an application for a charge ahead rebate to the administrator of the program within six months of the date of purchase or six months from the date the lease begins.
- (g) Retain registration of the light-duty zero-emission vehicle for a minimum of 24 consecutive months following the date of purchase or following the date the lease begins.
- (9) A person that receives a charge ahead rebate may not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations or hybrid system.
- (10) If a charge ahead rebate recipient intends to sell the vehicle, or otherwise terminate the vehicle lease before the end of 24 months, the charge ahead rebate recipient shall notify the administrator of the program of the recipient's intent to sell the vehicle or terminate a lease and shall reimburse the administrator for the entire charge ahead rebate amount.
- (11) Charge ahead rebate recipients may be requested to participate in ongoing research efforts.
- (12) The administrator of the program shall work to ensure timely payment of charge ahead rebates with a goal of paying rebates within 60 days of receiving an application for a charge ahead rebate.
- (13) In establishing the Charge Ahead Oregon Program, the department shall provide opportunities for public comment by low income households, moderate income households and community based organizations that are located in areas of this state that have elevated concentrations of air contaminants attributable to motor vehicle emissions, relative to other areas of the state. The department shall use the comments received pursuant to this subsection to inform, evaluate, and strengthen the design of the program in order to increase the usage of light-duty zero-emission vehicles.
- (14) The administrator of the program shall, throughout the course of implementing the program, conduct community outreach to low income households, moderate income households and community based organizations that are located in areas of this state that have elevated concentrations of air contaminants attributable to motor vehicle emissions, relative to other areas of the state, in order to:
- (a) Solicit feedback on program implementation; and
 - (b) Take steps to ensure that the program is promoted effectively.
- (15) A vehicle dealer may advertise the Charge Ahead Oregon Program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.
- (16) A charge ahead rebate may be combined with a rebate described in section 149 of this 2017 Act.
- (17) An organization that the department has hired or contracted with to implement and serve as the administrator of the program may offer expanded financing mechanisms for program participants, including, but not limited to, a loan or loan-loss reserve credit en-

hancement program to increase consumer access to new or used light-duty zero-emission vehicles.

(18) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

(Audits; Reports)

SECTION 151. (1) The Department of Environmental Quality shall periodically audit, or cause to be audited, the programs established under sections 149 and 150 of this 2017 Act to determine whether the programs are being implemented and administered in compliance with the provisions of sections 148 to 152 of this 2017 Act.

(2) No later than September 15 of each even-numbered year, the department shall provide a report to the Legislative Assembly, in the manner provided in ORS 192.245, that includes, at a minimum:

(a) A description of the uses to date of moneys in the Zero-Emission Incentive Fund established under section 152 of this 2017 Act;

(b) An analysis of the effectiveness of the rebate program established under section 149 of this 2017 Act;

(c) An analysis of the effectiveness of the Charge Ahead Oregon Program established under section 150 of this 2017 Act;

(d) Recommendations, which may include recommendations for legislation, on ways to improve the programs established under sections 149 and 150 of this 2017 Act; and

(e) The results of any audits conducted under subsection (1) of this section.

(Zero-Emission Incentive Fund)

SECTION 152. (1) The Zero-Emission Incentive Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Zero-Emission Incentive Fund shall be credited to the fund.

(2) Moneys in the Zero-Emission Incentive Fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts transferred to the fund by the Department of Revenue under section 96 of this 2017 Act;

(c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

(d) Other amounts deposited in the fund from any public or private source; and

(e) Interest earned by the fund.

(3) The Department of Environmental Quality shall encourage gifts, grants, donations or other contributions to the fund.

(4) Moneys in the fund are continuously appropriated to the department to be used to carry out the provisions of sections 148 to 152 of this 2017 Act.

(5) No more than 10 percent of the moneys deposited in the fund per biennium may be expended to pay the expenses incurred in the administration of sections 148 to 152 of this 2017 Act by:

(a) The department; and

(b) Any third-party organization that the department hires or contracts with under sections 149 and 150 of this 2017 Act.

(6) The Environmental Quality Commission may adopt by rule provisions for the allocation of moneys deposited in the fund between the programs established under sections 149 and 150 of this 2017 Act. Rules adopted under this subsection must require that at least 10 percent of the moneys deposited in the fund per biennium are allocated to fund the provision

of rebates through the Charge Ahead Oregon Program established under section 150 of this 2017 Act.

(Rebate Program; Provisions Operative January 1, 2019)

SECTION 153. The amendments to sections 148 and 149 of this 2017 Act by sections 154 and 155 of this 2017 Act become operative January 1, 2019.

SECTION 154. Section 148 of this 2017 Act is amended to read:

Sec. 148. As used in sections 148 to 152 of this 2017 Act:

(1) "Light-duty zero-emission vehicle" means a motor vehicle that:

- (a) Has a gross vehicle weight rating of 8,500 pounds or less;
- (b) Is capable of attaining a speed of 55 miles per hour or more; and
- (c) Is powered:

(A) Primarily by an electric battery and may or may not use a flywheel energy storage device or a capacitor that also stores energy to assist in vehicle operation.

(B) By polymer electrolyte membrane fuel cells or proton exchange membrane fuel cells that use hydrogen fuel and oxygen from the air to produce electricity.

(C) Primarily by a zero-emission energy storage device that provides enough power for the vehicle to travel 75 miles or more using only electricity and may or may not use a backup alternative power unit that does not operate until the energy storage device is fully depleted.

(2) "Motor vehicle" has the meaning given that term in ORS 801.360.

(3) "Neighborhood electric vehicle" means a low-speed vehicle that:

- (a) Is powered using an electric battery;**
- (b) Has a gross vehicle weight not exceeding 3,000 pounds; and**
- (c) Has at least four wheels.**

[3] (4) "Person" means a person as defined in ORS 174.100 or a public body as defined in ORS 174.109.

[4] (5) "Plug-in hybrid electric vehicle" means a hybrid electric motor vehicle that:

- (a) Has zero evaporative emissions from its fuel system;
- (b) Has an onboard electrical energy storage device with useful capacity of 10 or more miles of urban dynamometer driving schedule range, as described by the United States Environmental Protection Agency, on electricity alone;
- (c) Is equipped with an onboard charger;
- (d) Is rechargeable from an external connection to an off-board electrical source;
- (e) Meets the super ultra-low emission vehicle standards for exhaust emissions, as defined by the Environmental Quality Commission by rule;
- (f) Has a warranty of at least 15 years and 150,000 miles on emission control components; and
- (g) Is capable of attaining a speed of 55 miles per hour or more.

[5] (6) "Qualifying vehicle" means a motor vehicle that:

- (a) Is a:
 - (A) Light-duty zero-emission vehicle; or
 - (B) Plug-in hybrid electric vehicle;
- (b) Is new, or has been previously used only as a dealership floor model or test-drive vehicle;
- (c) Has not previously been registered;
- (d) Is constructed entirely from new parts that have never been the subject of a retail sale;
- (e) Has a base manufacturer's suggested retail price of less than \$50,000;
- (f) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least 24 months from the date of purchase; and
- (g) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration for new motor vehicles and new motor vehicle equipment.

[(6)(a)] **(7)(a)** “Vehicle dealer” means:

(A) A person engaged in business in this state that has been issued a vehicle dealer certificate under ORS 822.020; and

(B) A person engaged in business in another state that would be subject to ORS 822.005 if the person engaged in business in this state.

(b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for purposes of sections 148 to 152 of this 2017 Act to the extent the person:

(A) Conducts an event that lasts less than seven consecutive days, for which the public is charged admission and at which otherwise qualifying vehicles are sold at auction; or

(B) Sells an otherwise qualifying vehicle at auction at an event described in this paragraph.

(8) “Zero-emission motorcycle” means a motorcycle that:

(a) Has zero evaporative emissions from its fuel system;

(b) Is capable of attaining a speed of 55 miles per hour or more;

(c) Is designed to travel on two wheels; and

(d) Is powered by electricity.

SECTION 155. Section 149 of this 2017 Act is amended to read:

Sec. 149. (1) The Department of Environmental Quality shall establish a program for providing rebates to persons that purchase qualifying vehicles for use in this state. The Director of the Department of Environmental Quality may hire or contract with a third-party nonprofit organization to implement and serve as the administrator of the program required by this section.

(2) The department may:

(a) Specify design features for the program; and

(b) Establish procedures to:

(A) Prioritize available moneys for specific qualifying vehicles; and

(B) Limit the number of rebates available for each type of qualifying vehicle.

(3) The purchaser or lessee of a qualifying vehicle may apply for a rebate for a portion of the purchase price or may choose to assign the rebate to a vehicle dealer or lessor.

(4) Rebates under the program shall be made from moneys credited to or deposited in the Zero-Emission Incentive Fund established under section 152 of this 2017 Act. A rebate may not be made until there are sufficient moneys available in the fund to make the rebate.

(5) The department shall prescribe the rebate application procedure for purchasers and lessees. All rebate applications must include a declaration under penalty of perjury in the form required by ORCP 1 E.

(6) Rebates for qualifying vehicles shall be set annually by the department as follows:

(a) For light-duty zero-emission vehicles and plug-in hybrid electric vehicles with an electrochemical energy storage capacity of 10 kilowatt hours or more, up to \$2,500 but no less than \$1,500.

(b) For light-duty zero-emission vehicles or plug-in hybrid electric vehicles with an electrochemical energy storage capacity of less than 10 kilowatt hours, up to \$1,500 but no less than \$750.

(c) For neighborhood electric vehicles, up to \$750 but not less than \$375.

(d) For zero-emission motorcycles, up to \$750 but not less than \$375.

(7) To be eligible for a rebate, a person requesting a rebate under the program shall:

(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 24 months.

(b) Provide proof of an intent to use the qualifying vehicle primarily on the public highways of this state, which may be satisfied by providing proof of registration of the qualifying vehicle in Oregon.

(c) Submit an application for a rebate to the administrator of the program within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins.

(d) Retain registration of the qualifying vehicle for a minimum of 24 consecutive months after the date of purchase or the date the lease begins.

(8) A rebate recipient may not make or allow any modifications to the qualifying vehicle's emissions control systems, hardware, software calibrations or hybrid system.

(9) If a rebate recipient intends to sell the qualifying vehicle, or terminate the qualifying vehicle lease before the end of 24 months, the rebate recipient shall notify the administrator of the program of the recipient's intent to sell the vehicle or terminate the lease and shall reimburse the administrator for the entire rebate amount.

(10) Rebate recipients may be requested to participate in ongoing research efforts.

(11) The administrator of the program shall work to ensure timely payment of rebates with a goal of paying rebates within 60 days after receiving an application for a rebate.

(12) A vehicle dealer may advertise the program on the premises owned or operated by the vehicle dealer. If no moneys are available from the program or the program otherwise changes, a vehicle dealer who advertises the program may not be held liable for advertising false or misleading information.

(13) The Environmental Quality Commission may adopt any rules necessary to carry out the provisions of this section.

(Miscellaneous)

SECTION 156. Rebates may be issued under sections 149 and 150 of this 2017 Act for motor vehicles purchased or leased on or after the effective date of this 2017 Act.

SECTION 157. (1) Sections 148 to 152 of this 2017 Act are repealed on January 2, 2024.

(2) Any moneys remaining in the Zero-Emission Incentive Fund established under section 152 of this 2017 Act on the date of the repeal specified in subsection (1) of this subsection that are unexpended, unobligated and not subject to any conditions shall be transferred by the State Treasurer to the credit of an account of the Department of Environmental Quality to be used for vehicle emission reduction programs.

LOW CARBON FUEL STANDARDS (Provisions Operative January 1, 2018)

SECTION 158. (1) Sections 159 and 161 to 167 of this 2017 Act are added to and made a part of ORS chapter 468A.

(2) ORS 468A.275 is added to and made a part of sections 159 to 167 of this 2017 Act.

SECTION 159. As used in sections 159 to 167 of this 2017 Act:

(1) "Biodiesel" means a motor vehicle fuel consisting of mono-alkyl esters of long chain fatty acids derived from vegetable oils, animal fats or other nonpetroleum resources, not including palm oil.

(2) "Clean fuels program" means the program adopted by rule by the Environmental Quality Commission under ORS 468A.275 (1)(b).

(3) "Compliance period" means the calendar year during which a regulated party must demonstrate compliance with the low carbon fuel standards through participation in the clean fuels program.

(4) "Credit" means a unit of measure generated when a fuel with a carbon intensity that is less than the applicable low carbon fuel standard is produced, imported or dispensed for use in Oregon, such that one credit is equal to one metric ton of carbon dioxide equivalent.

(5) "Credit aggregator" means a person who voluntarily registers to participate in the clean fuels program to facilitate credit generation on behalf of a credit generator and to trade credits with regulated parties, credit generators and other credit aggregators.

(6) "Credit generator" means a person eligible to generate credits by providing fuels for use in Oregon with carbon intensities less than the applicable low carbon fuel standard.

(7) “Deferral” means a delay or change in the applicability of a scheduled applicable low carbon fuel standard for a period of time, accomplished pursuant to an order issued under section 164 or 165 of this 2017 Act.

(8) “Deficit” means a unit of measure generated when a fuel with a carbon intensity that is more than the applicable low carbon fuel standard is produced, imported or dispensed for use in Oregon, such that one deficit is equal to one metric ton of carbon dioxide equivalent.

(9) “Greenhouse gas” has the meaning given that term in ORS 468A.210.

(10) “Low carbon fuel standard” means a standard adopted by the commission by rule under ORS 468A.275 for the reduction of greenhouse gas emissions, on average, per unit of fuel energy.

(11) “Motor vehicle” has the meaning given that term in ORS 801.360.

(12) “Regulated party” means a person responsible for complying with the low carbon fuel standards.

(13) “Small deficit” means a net deficit balance at the end of a compliance period, after retirement of all credits held by a regulated party, that does not exceed a percentage set by the commission by rule of the total number of deficits that the regulated party generated for a compliance period and that may not be greater than 10 percent of the total number of deficits that the regulated party generated for a compliance period.

SECTION 160. ORS 468A.275 is amended to read:

468A.275. [(1) As used in this section:]

[(a) “Greenhouse gas” has the meaning given that term in ORS 468A.210.]

[(b) “Low carbon fuel standards” means standards for the reduction of greenhouse gas emissions, on average, per unit of fuel energy.]

[(c) “Motor vehicle” has the meaning given that term in ORS 801.360.]

[(2)(a)] (1) The Environmental Quality Commission, **by rule:**

(a) Shall adopt [by rule] low carbon fuel standards for gasoline, diesel and fuels used as substitutes **or alternatives** for gasoline or diesel[.]; **and**

(b) **Shall adopt a clean fuels program for facilitating compliance with the low carbon fuel standards and for managing and containing the costs of compliance with the low carbon fuel standards, in accordance with the requirements of sections 159 to 167 of this 2017 Act.**

[(b)] (2) The commission may adopt [the following] **rules** related to the **low carbon fuel** standards, including but not limited to:

[(A)] (a) A schedule to phase in implementation of the standards in a manner that reduces the average amount of greenhouse gas emissions per unit of fuel energy of the fuels by 10 percent below 2010 levels by the year 2025 or by a later date if the commission determines that an extension is appropriate to implement the **low carbon fuel** standards;

[(B)] (b) Standards for greenhouse gas emissions attributable to the fuels throughout [their lifecycles] **the lifecycles of the fuels**, including but not limited to emissions from the production, storage, transportation and combustion of the fuels and from changes in land use associated with the fuels;

[(C)] (c) Provisions allowing the use of all types of low carbon fuels to meet the low carbon fuel standards, including but not limited to biofuels, biogas, natural gas, liquefied petroleum gas, gasoline, diesel, hydrogen and electricity;

[(D) Standards for the issuance of deferrals, established with adequate lead time, as necessary to ensure adequate fuel supplies;]

[(E)] (d) Exemptions for fuels that are used in volumes below thresholds established by the commission;

[(F)] (e) Standards, specifications, testing requirements and other measures as needed to ensure the quality of fuels produced in accordance with the low carbon fuel standards, including but not limited to the requirements of ORS 646.910 to 646.923 and administrative rules adopted by the State Department of Agriculture for motor fuel quality; and

[(G)] (f) Adjustments to the amounts of greenhouse gas emissions per unit of fuel energy assigned to fuels for combustion and drive train efficiency.

[(c)] (3) Before adopting **low carbon fuel** standards under this section, the commission shall consider the low carbon fuel standards of other states[, *including but not limited to Washington,*] for the purpose of determining schedules and goals for the reduction of the average amount of greenhouse gas emissions per unit of fuel energy and the default values for these reductions for applicable fuels.

[(d)] *The commission shall adopt by rule provisions for managing and containing the costs of compliance with the standards, including but not limited to provisions to facilitate compliance with the standards by ensuring that persons may obtain credits for fuels used as substitutes for gasoline or diesel and by creating opportunities for persons to trade credits.*

[(e)] (4) The commission shall exempt from the **low carbon fuel** standards any person who imports in a calendar year less than 500,000 gallons of gasoline and diesel fuel, in total. Any fuel imported by persons that are related or share common ownership or control shall be aggregated together to determine whether a person is exempt under this [paragraph] **subsection**.

[(f)(A)] *The commission by rule shall prohibit fuels that contain biodiesel from being considered an alternative fuel under these standards unless the fuel meets the following standards:*

[(i)] *Fuel that consists entirely of biodiesel, designated as B100, shall comply with ASTM D 6751 and shall have an oxidation stability induction period of not less than eight hours as determined by the test method described in European standard EN 15751; and*

[(ii)] *Fuel that consists of a blend of diesel fuel and between 6 and 20 volume percent biodiesel, and designated as biodiesel blends B6 to B20, shall comply with ASTM D 7467 and shall have an oxidation stability induction period of not less than 20 hours as determined by the test method described in European standard EN 15751.*

[(B)] *The commission may adopt rules different from those required under subparagraph (A) of this paragraph if an ASTM or EN standard applicable to biodiesel is approved or amended after March 12, 2015, or if the commission finds that different rules are necessary due to changes in technology or fuel testing or production methods.*

[(C)] *As used in this subsection, "biodiesel" means a motor vehicle fuel consisting of mono-alkyl esters of long chain fatty acids derived from vegetable oils, animal fats or other nonpetroleum resources, not including palm oil.*

[(3)] (5) In adopting rules under this section, the [Environmental Quality] commission shall evaluate:

- (a) Safety, feasibility, net reduction of greenhouse gas emissions and cost-effectiveness;
- (b) Potential adverse impacts to public health and the environment, including but not limited to air quality, water quality and the generation and disposal of waste in this state;
- (c) Flexible implementation approaches to minimize compliance costs; and
- (d) Technical and economic studies of comparable greenhouse gas emissions reduction measures implemented in other states and any other studies as determined by the commission.

[(4)(a)] *The provisions of this section do not apply to fuel that is demonstrated to have been used in any of the following:*

[(A)] *Motor vehicles registered as farm vehicles under the provisions of ORS 805.300.*

[(B)] *Farm tractors, as defined in ORS 801.265.*

[(C)] *Implements of husbandry, as defined in ORS 801.310.*

[(D)] *Motor trucks, as defined in ORS 801.355, used primarily to transport logs.*

[(E)] *Motor vehicles that are not designed primarily to transport persons or property, that are operated on highways only incidentally, and that are used primarily for construction work.*

[(F)] *Watercraft.*

[(G)] *Railroad locomotives.*

[(b)] *The Environmental Quality Commission shall by rule adopt standards for persons to qualify for the exemptions provided in this subsection.*

SECTION 161. (1) The Environmental Quality Commission by rule shall prohibit fuel that consists entirely of biodiesel, designated as B100, from being considered a low carbon fuel under the low carbon fuel standards unless the fuel complies with ASTM D 6751 and has an oxidation stability induction period of not less than eight hours as determined by the test method described in European standard EN 15751.

(2) The commission may adopt rules different from those required under subsection (1) of this section if an ASTM or EN standard applicable to biodiesel is approved or amended after March 12, 2015, or if the commission finds that different rules are necessary due to changes in technology or fuel testing or production methods.

SECTION 162. (1) The clean fuels program adopted by the Environmental Quality Commission by rule under ORS 468A.275 must be designed such that:

(a) Regulated parties generate deficits and may reconcile the deficits, and thus comply with the low carbon fuel standards for a compliance period, by obtaining and retiring credits;

(b) Regulated parties and credit generators may generate credits for fuels used as substitutes or alternatives for gasoline or diesel;

(c) Regulated parties, credit generators and credit aggregators shall have opportunities to trade credits; and

(d) Regulated parties shall be allowed to carry over to the next compliance period a small deficit without penalty.

(2) The Department of Environmental Quality shall, throughout a compliance period, regularly monitor the availability of fuels needed for compliance with the low carbon fuel standards.

(3)(a) Under the clean fuels program, the department shall monthly calculate the volume-weighted average price of credits and, no later than the last day of the month immediately following the month for which the calculation is completed, post the formula and the nonaggregated data the department used for the calculation and the results of the calculation on the department's website.

(b) In completing the calculation required by this subsection, the department may exclude from the data set credit transfers without a price or other credit transfers made for a price that falls two standard deviations outside of the mean credit price for the month. The data posted on the department's website under this section may not include any individually identifiable information or information that would otherwise constitute a trade secret under ORS 192.501.

(4)(a) In addition to the calculation required under subsection (3) of this section, the department shall annually calculate for the preceding calendar year:

(A) The average cost or cost-savings of the low carbon fuel standards per gallon of gasoline and per gallon of diesel; and

(B) The total greenhouse gas emissions reductions attributable to the low carbon fuel standards.

(b) No later than April 15 of each year, the department shall post the formula the department used for the calculations required by this subsection and the results of the calculations on the department's website.

(c) The State Department of Agriculture shall furnish the formula and results of the calculations required by this subsection to each gas station in this state to facilitate compliance by gas station owners or operators with ORS 646.932.

SECTION 163. (1) The division of the Oregon Department of Administrative Services that serves as office of economic analysis shall annually coordinate with the Department of Environmental Quality to develop a fuel supply forecast to project the availability of fuels to Oregon necessary for compliance with the low carbon fuel standards. The fuel supply forecast shall include, but need not be limited to, the following with reference to the next compliance period of the clean fuels program:

(a) An estimate of the potential volumes of gasoline, gasoline substitutes and gasoline alternatives and diesel, diesel fuel substitutes and diesel alternatives available to Oregon;

(b) An estimate of the total banked credits and carried over deficits held by regulated parties, credit generators and credit aggregators at the beginning of the compliance period and an estimate of the total credits attributable to fuels described in paragraph (a) of this subsection;

(c) An estimate of the credits needed to meet the scheduled applicable low carbon fuel standard during the forecast compliance period; and

(d) A comparison of the estimates under paragraphs (a) and (b) of this subsection with the estimate under paragraph (c) of this subsection to indicate the availability of fuels needed for compliance with the low carbon fuel standards.

(2) In developing the estimate required under subsection (1)(a) of this section, the division shall consider, but need not be limited to considering:

(a) Constraints that may be preventing access to available and cost-effective low carbon fuels by Oregon, such as geographic and logistical factors, and alleviating factors to the constraints; and

(b) The existing and future vehicle fleet in Oregon.

(3) The division may appoint, in coordination with the Department of Environmental Quality, a forecast review team of relevant experts to participate in the fuel supply forecast or examination of data required by this section. The team may perform any functions assigned by the division, including but not limited to consulting on the design of the forecast. The forecast required by this section must be completed and provided to the department no later than 90 calendar days before the commencement of the compliance period for which the forecast is developed.

SECTION 164. (1) No later than 30 calendar days before the commencement of a compliance period, the Department of Environmental Quality shall issue an order declaring a forecast deferral if the fuel supply forecast developed under section 163 of this 2017 Act projects that the amount of credits that will be available during the forecast compliance period will be less than 100 percent of the credits projected to be necessary for regulated parties to comply with the scheduled applicable low carbon fuel standard for the forecast compliance period.

(2) An order declaring a forecast deferral under this section must set forth:

(a) The duration of the forecast deferral;

(b) The types of fuel to which the forecast deferral applies; and

(c) Which of the following methods the department has selected for deferring compliance with the scheduled applicable low carbon fuel standard during the forecast deferral:

(A) Temporarily adjusting the scheduled applicable low carbon fuel standard to a standard identified in the order that better reflects the forecast availability of credits during the forecast compliance period and requiring regulated parties to comply with the temporary standard;

(B) Requiring regulated parties to comply only with the low carbon fuel standard applicable during the compliance period prior to the forecast compliance period; or

(C) Suspending deficit accrual for part or all of the forecast deferral period.

(3)(a) In implementing a forecast deferral, the department may take an action for deferring compliance with the low carbon fuel standard other than, or in addition to, selecting a method under subsection (2)(c) of this section only if the department determines that none of the methods under subsection (2)(c) of this section will provide a sufficient mechanism for containing the costs of compliance with the low carbon fuel standards during the forecast deferral.

(b) If the department makes the determination specified in paragraph (a) of this subsection, the department shall:

(A) Include in the order declaring a forecast deferral the determination and the action to be taken; and

(B) Provide written notification and justification of the determination and the action to:

(i) The Governor;

(ii) The President of the Senate;

(iii) The Speaker of the House of Representatives;

(iv) The majority and minority leaders of the Senate; and

(v) The majority and minority leaders of the House of Representatives.

(4) The duration of a forecast deferral may not be less than one calendar quarter or longer than one compliance period. Only the Environmental Quality Commission may terminate, by order, a forecast deferral before the expiration date of the forecast deferral. Termination of a forecast deferral is effective on the first day of the next calendar quarter after the date that the order declaring the termination is adopted.

SECTION 165. (1) The Department of Environmental Quality shall issue an order declaring an emergency deferral:

(a) No later than 15 calendar days after the date that the department determines that:

(A) There is a known shortage of a fuel or low carbon fuel that is needed for regulated parties to comply with the low carbon fuel standard; and

(B) The magnitude of the shortage of that fuel is greater than the equivalent of five percent of the amount of the fuel forecasted to be available during the effective compliance period; or

(b) Immediately upon the issuance by the Governor of a proclamation, executive order or directive pursuant to ORS 176.750 to 176.815 declaring an energy emergency due to a shortage of gasoline or diesel.

(2) An order declaring an emergency deferral under this section must set forth:

(a) The duration of the emergency deferral;

(b) The types of fuel to which the emergency deferral applies; and

(c) Which of the following methods the department has selected for deferring compliance with the scheduled applicable low carbon fuel standard during the emergency deferral:

(A) Temporarily adjusting the scheduled applicable low carbon fuel standard to a standard identified in the order that better reflects the availability of credits during the emergency deferral and requiring regulated parties to comply with the temporary standard;

(B) Allowing for the carryover of deficits accrued during the emergency deferral into one or more future compliance periods without penalty; or

(C) Suspending deficit accrual during the emergency deferral period.

(3)(a) In implementing an emergency deferral, the department may take an action for deferring compliance with the low carbon fuel standard other than, or in addition to, selecting a method under subsection (2)(c) of this section only if the department determines that none of the methods under subsection (2)(c) of this section will provide a sufficient mechanism for containing the costs of compliance with the low carbon fuel standards during the emergency deferral.

(b) If the department makes the determination specified in paragraph (a) of this subsection, the department shall:

(A) Include in the order declaring an emergency deferral the determination and the action to be taken; and

(B) Provide written notification and justification of the determination and the action to:

(i) The Governor;

(ii) The President of the Senate;

(iii) The Speaker of the House of Representatives;

(iv) The majority and minority leaders of the Senate; and

(v) The majority and minority leaders of the House of Representatives.

(4)(a) Except as provided in paragraph (b) of this subsection, the duration of an emergency deferral:

(A) Implemented using the method described in subsection (2)(c)(A) of this section may not be less than one calendar quarter; and

(B) Implemented using a method described in subsection (2)(c)(B) or (C) or subsection (3) of this section may not be less than 30 calendar days.

(b) An emergency deferral may not continue past the end of the compliance period during which the emergency deferral is issued.

(c) An emergency deferral may be terminated prior to the expiration date of the emergency deferral only if new information becomes available indicating that the shortage for which the emergency deferral was issued has ended. Only the Environmental Quality Commission may terminate, by order, an emergency deferral before the expiration date of the emergency deferral. Termination of an emergency deferral is effective 15 calendar days after the date that the order declaring the termination is adopted.

SECTION 166. (1) The clean fuels program adopted by the Environmental Quality Commission by rule under ORS 468A.275 must include provisions necessary for the Department of Environmental Quality to hold credit clearance markets as a means to facilitate compliance with the low carbon fuel standards.

(2)(a) The department shall hold a credit clearance market for any compliance period in which at least one regulated party reports that the regulated party has a net deficit balance at the end of the compliance period, after retirement of all credits held by the regulated party, that is greater than a small deficit. A regulated party described by this paragraph is required to participate in the credit clearance market.

(b) If a regulated party has a small deficit at the end of a compliance period, the regulated party shall notify the department that it will achieve compliance with the low carbon fuel standard during the compliance period by either:

(A) Participating in a credit clearance market; or

(B) Carrying forward the small deficit.

(3) For purposes of administering a credit clearance market required by this section, the department shall:

(a) Allow any regulated party, credit generator or credit aggregator that holds excess credits at the end of a compliance period to voluntarily participate in the credit clearance market as a seller by pledging a specified number of credits for sale in the market.

(b) Require each regulated party participating in the credit clearance market as a purchaser of credits to:

(A) Have retired all credits in the party's possession prior to participating in the credit clearance market; and

(B) Purchase the specified number of the total pledged credits that the department has determined are that party's pro rata share of the pledged credits.

(c) Require all sellers to:

(A) Agree to sell pledged credits at a price no higher than a maximum price for credits;

(B) Accept all offers to purchase pledged credits at the maximum price for credits; and

(C) Agree to withhold any pledged credits from sale outside the credit clearance market until the credit clearance market is closed.

(4)(a) The commission shall set the maximum price for credits in a credit clearance market, which may not exceed \$200 for 2018.

(b) For 2019 and subsequent years, the maximum price for credits may exceed \$200, but only to the extent that a greater maximum price for credits is necessary to annually adjust for inflation, beginning on January 1, 2019, pursuant to the increase, if any, from the preceding calendar year in the West Region Consumer Price Index for All Urban Consumers for All Items, as published by the Bureau of Labor Statistics of the United States Department of Labor.

(5) A regulated party that has a net deficit balance after the close of a credit clearance market:

(a) Must carry over the remaining deficits into the next compliance period; and

(b) May not be subject to interest greater than five percent, penalties or assertions of noncompliance that accrue based on the carryover of deficits under this subsection.

(6) If a regulated party has been required under subsection (2) of this section to participate as a purchaser in two consecutive credit clearance markets and continues to have a net deficit balance after the close of the second consecutive credit clearance market, the Department of Environmental Quality shall complete, no later than two months after the close of the second credit clearance market, an analysis of the root cause of the inability of the regulated party to retire the remaining deficits. The department may recommend and implement any remedy that the department determines is necessary to address the root cause identified in the analysis, including but not limited to issuing a deferral, provided that the remedy implemented does not:

(a) Require the regulated party to purchase credits for an amount that exceeds the maximum price for credits in the most recent credit clearance market; or

(b) Compel a person to sell credits.

(7) If credits sold in a credit clearance market are subsequently invalidated as a result of fraud or any other form of noncompliance on the part of the generator of the credit, the department may not pursue civil penalties against, or require credit replacement by, the regulated party that purchased the credits unless the regulated party was a party to the fraud or other form of noncompliance.

(8) The department may not disclose the deficit balances or pro rata share purchase requirements of a regulated party that participates in the credit clearance market.

SECTION 167. (1) In addition to rules adopted under ORS 468A.275 and section 161 of this 2017 Act, the Environmental Quality Commission may adopt rules necessary to carry out the provisions of sections 159 to 167 of this 2017 Act, including but not limited to standards for persons to qualify for exemptions provided for in subsection (2) of this section.

(2) The provisions of sections 159 to 167 of this 2017 Act do not apply to fuel that is demonstrated to have been used in any of the following:

(a) Motor vehicles registered as farm vehicles under the provisions of ORS 805.300.

(b) Farm tractors, as defined in ORS 801.265.

(c) Implements of husbandry, as defined in ORS 801.310.

(d) Motor trucks, as defined in ORS 801.355, used primarily to transport logs.

(e) Motor vehicles that are not designed primarily to transport persons or property, that are operated on highways only incidentally and that are used primarily for construction work.

(f) Watercraft.

(g) Railroad locomotives.

(Provisions Operative January 1, 2019)

SECTION 168. The amendments to section 165 of this 2017 Act by section 169 of this 2017 Act become operative on January 1, 2019.

SECTION 169. Section 165 of this 2017 Act is amended to read:

Sec. 165. (1) The Department of Environmental Quality shall issue an order declaring an emergency deferral:

(a) No later than 15 calendar days after the date that the department determines that:

(A) There is a known shortage of a fuel or low carbon fuel that is needed for regulated parties to comply with the low carbon fuel standard; and

(B) The magnitude of the shortage of that fuel is greater than the equivalent of five percent of the amount of the fuel forecasted to be available during the effective compliance period; or

(b) Immediately upon the issuance by the Governor of a proclamation, executive order or directive pursuant to ORS 176.750 to 176.815 declaring an energy emergency due to a shortage of gasoline or diesel.

(2) An order declaring an emergency deferral under this section must set forth:

(a) The duration of the emergency deferral;

(b) The types of fuel to which the emergency deferral applies; and

(c) Which of the following methods the department has selected for deferring compliance with the scheduled applicable low carbon fuel standard during the emergency deferral:

(A) Temporarily adjusting the scheduled applicable low carbon fuel standard to a standard identified in the order that better reflects the availability of credits during the emergency deferral and requiring regulated parties to comply with the temporary standard;

(B) Allowing for the carryover of deficits accrued during the emergency deferral into one or more future compliance periods without penalty; or

(C) Suspending deficit accrual during the emergency deferral period.

(3)(a) In implementing an emergency deferral, the department may take an action for deferring compliance with the low carbon fuel standard other than, or in addition to, selecting a method under subsection (2)(c) of this section only if the department determines that none of the methods under subsection (2)(c) of this section will provide a sufficient mechanism for containing the costs of compliance with the low carbon fuel standards during the emergency deferral.

(b) If the department makes the determination specified in paragraph (a) of this subsection, the department shall:

(A) Include in the order declaring an emergency deferral the determination and the action to be taken; and

(B) Provide written notification and justification of the determination and the action to:

(i) The Governor;

(ii) The President of the Senate;

(iii) The Speaker of the House of Representatives;

(iv) The majority and minority leaders of the Senate; and

(v) The majority and minority leaders of the House of Representatives.

(4)(a) Except as provided in paragraph (b) of this subsection, the duration of an emergency deferral:

(A) Implemented using the method described in subsection (2)(c)(A) of this section may not be less than one calendar quarter; and

(B) Implemented using a method described in subsection (2)(c)(B) or (C) or subsection (3) of this section may not be less than 30 calendar days.

(b) An emergency deferral may not continue past the end of the compliance period during which the emergency deferral is issued.

(c) An emergency deferral may be terminated prior to the expiration date of the emergency deferral only if new information becomes available indicating that the shortage for which the emergency deferral was issued has ended. Only the Environmental Quality Commission may terminate, by order, an emergency deferral before the expiration date of the emergency deferral. Termination of an emergency deferral is effective 15 calendar days after the date that the order declaring the termination is adopted.

(5) If the department determines during a compliance period that the volume-weighted moving average price of credits for a consecutive three-month period increased by 100 percent or more over the volume-weighted moving average price of credits for the previous consecutive three-month period, or if the department otherwise determines that abnormal market behavior exists, the department shall complete, no later than two months after the determination is made, an analysis of the root cause of the price volatility. The department may recommend and implement any remedy that the department determines is necessary to address market stability based on the root cause analysis, including but not limited to issuing an emergency deferral, provided that the remedy implemented does not:

- (a) Require a regulated party to purchase credits for an amount that exceeds the maximum price for credits in the most recent credit clearance market; or
- (b) Compel a person to sell credits.

(Program Review)

SECTION 170. (1) The Department of Environmental Quality shall, no later than February 1, 2022, complete a review of the clean fuels program and submit a report on the department's review to the interim committees of the Legislative Assembly related to environment and natural resources in the manner provided by ORS 192.245.

(2) The review required by this section must consider all program compliance data available and must include, but need not be limited to, a review of the following:

(a) The progress of this state, through implementation of sections 159 to 167 of this 2017 Act and rules adopted pursuant to sections 159 to 167 of this 2017 Act, toward achieving the goal of reducing the average amount of greenhouse gas emissions per unit of fuel energy of the fuels by 10 percent below 2010 levels by the year 2025.

(b) The environmental, economic, health and other benefits realized through the implementation of sections 159 to 167 of this 2017 Act and rules adopted pursuant to sections 159 to 167 of this 2017 Act, including but not limited to the economic benefits of supplying low carbon fuels or electric vehicle charging and related infrastructure.

(c) The projected availability of low carbon fuels and credits through the year 2025, using the methodology described in section 163 (2) of this 2017 Act.

(d) Additional mechanisms that may be necessary to manage and contain the costs of compliance with the low carbon fuel standards.

(e) Whether adjustments to the low carbon fuel standards or the clean fuels program are necessary, including for purposes of achieving regional harmonization and consistency with the strategy described in ORS 184.617 (1)(j).

(f) The effects of the maximum price for credits in the credit clearance market, as provided for in section 166 of this 2017 Act, on implementation of sections 159 to 167 of this 2017 Act.

(g) Adjustments that could serve to strengthen and enhance the low carbon fuel standards or the clean fuels program in terms of increased emissions reductions or other net benefits attributable to the standards or program.

(3) The review conducted by the department under this section must take into consideration the fuel supply forecast required by section 163 of this 2017 Act and may be conducted in coordination with the division of the Oregon Department of Administrative Services that serves as office of economic analysis.

**INDICATION OF INFLUENCE OF LOW CARBON FUEL
STANDARDS ON COST OF GASOLINE**

SECTION 171. ORS 646.932 is amended to read:

646.932. (1) As used in this section, "gas station" includes a filling station, service station, garage or any other place where gasoline is sold for use in motor vehicles.

(2) The owner or operator of a gas station shall post, in a manner visible to customers, the following information:

- (a) The amount of the price per gallon that is federal tax;
- (b) The amount of the price per gallon that is state tax;
- (c) The amount of the price per gallon that is local tax; and
- (d) The total amount of federal, state and local taxes per gallon.

(3) The Department of Transportation shall furnish the information described in subsection (2) of this section to each gas station in *[the]* **this** state.

(4) The owner or operator of a gas station may disclose to customers the cost, per gallon of gasoline and diesel, of the low carbon fuel standards adopted by rule under ORS 468A.275 after viewing on the Department of Environmental Quality's website or receiving from the State Department of Agriculture the annual calculations described in section 162 of this 2017 Act. An owner or operator that posts the cost per gallon of the low carbon fuel standard shall also post the calculation of the concurrent total greenhouse gas emissions reductions attributable to the low carbon fuel standard. The owner or operator may make the disclosures provided for in this subsection by:

- (a) Posting the disclosures on a gasoline pump in a manner that is visible to customers;
- (b) Printing the disclosures on a receipt that the owner or operator provides to a customer; or
- (c) Otherwise displaying the disclosures near the point of payment or another location that is visible to customers.

SECTION 172. The amendments to ORS 646.932 by section 171 of this 2017 Act apply to any transaction for a purchase of gasoline or diesel in this state that occurs on or after the operative date specified in section 173 of this 2017 Act.

MISCELLANEOUS (Operative Date)

SECTION 173. (1) Sections 158, 159 and 161 to 167 of this 2017 Act and the amendments to ORS 468A.275 and 646.932 by sections 160 and 171 of this 2017 Act become operative on January 1, 2018.

(2) The Environmental Quality Commission may adopt rules and the commission, the Department of Environmental Quality and the Oregon Department of Administrative Services may take any action before the operative date specified in subsection (1) of this section that is necessary for the commission and the departments to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission and the departments by sections 158, 159 and 161 to 167 of this 2017 Act and the amendments to ORS 468A.275 and 646.932 by sections 160 and 171 of this 2017 Act. Rules adopted by the commission under this subsection become operative January 1, 2018.

(Rules Adoption, Applicability of ORS 468A.275 (5))

SECTION 174. The requirements of ORS 468A.275 (5) do not apply to the rulemaking by the Environmental Quality Commission beginning before the operative date specified in section 173 of this 2017 Act that is necessary for initial implementation of sections 158, 159 and 161 to 167 of this 2017 Act and the amendments to ORS 468A.275 and 646.932 by sections 160 and 171 of this 2017 Act.

CAPTIONS

SECTION 175. The unit and section captions used in this 2017 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2017 Act.

EFFECTIVE DATE

SECTION 176. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

Passed by House July 5, 2017

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate July 6, 2017

.....
Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2017

Approved:

.....M,....., 2017

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2017

.....
Dennis Richardson, Secretary of State